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\$45,000,000
Pima County, Arizona
Sewer System Revenue Obligations
Series 2017

SERIES 2017 PURCHASE AGREEMENT

by and between

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

and

PIMA COUNTY, ARIZONA,
as Purchaser

Dated as of February 1, 2017

The rights of The Bank of New York Mellon Trust Company, N.A., in its separate capacity as seller under this Series 2017 Purchase Agreement, have been assigned to The Bank of New York Mellon Trust Company, N.A., in its separate capacity as trustee under a Series 2017 Obligation Indenture, dated as of February 1, 2017.

(This Table of Contents is for informational purposes only and is not to be considered a part of this Purchase Agreement)

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SERIES 2017 PURCHASE AGREEMENT

THIS SERIES 2017 PURCHASE AGREEMENT, dated as of February 1, 2017 (this “*Purchase Agreement*”), by and between THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, authorized to exercise trust powers in the State of Arizona, as trustee but in its separate capacity as seller (the “*Seller*”), and PIMA COUNTY, ARIZONA, a county of the State of Arizona, as purchaser (the “*County*”),

WITNESSETH:

WHEREAS, pursuant to Resolution No. 2016-83 adopted by the Board of Supervisors of the County on December 13, 2016, it was found and determined to be advantageous and in the public interest that the Series 2017 Obligations (as such term is defined below) be sold and executed and delivered; and

WHEREAS, pursuant to this Purchase Agreement, the County has agreed to purchase the Series 2017 Property (as such term is defined below) from the Seller;

NOW, THEREFORE, for and in consideration of the mutual covenants contained in this Purchase Agreement, the Seller and the County agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

The words and terms used in this Purchase Agreement that are also used in the Indenture (as such term is defined below) shall have the respective meanings assigned to them in the Indenture. In addition, the following words and terms will have the meaning indicated, unless the context or use clearly indicates a different meaning or intent. All accounting terms not otherwise so defined shall have the meanings assigned to them in accordance with generally accepted accounting principles.

“*Additional Obligation Documents*” means any contract (including a resolution of the Board) or agreement of the County constituting or authorizing Additional Obligations.

“*Additional Obligations*” means obligations (including loans and bonds) or applicable interests therein that are incurred (i) by, or the payment of which is assumed by, the County subsequent to, and are to rank on a parity with, the payments of the Purchase Price and share *pro rata* in payments to be made by the County from the Pledged Revenues, without priority one over the other or over this Purchase Agreement, and (ii) for the purpose of making extensions, renewals, improvements or replacements to the System or to refund any Series 2017 Obligations, Parity Obligations, Additional Obligations or Prior Obligations.

“*Assumed Interest Rate*” means an interest rate for a series of Variable Rate Obligations at the computation date computed to be the lesser of (i) the maximum rate that the Variable Rate Obligations of a series may bear under the terms of their incurrence or (ii) the rate of interest established for long-term bonds by the 30-year revenue bond index published by The Bond

Buyer of New York, New York, on the date that is nearest to 30 days prior to the computation date (or in the absence of such published index, some other index selected in good faith by the Finance Director after consultation with one or more reputable, experienced investment bankers as being equivalent thereto).

“*Bond Year*” means a 12-month period beginning July 2 of the calendar year and ending on the next succeeding July 1.

“*Consultant*” means a firm of utility consultants experienced in the financing and operation of sewer systems and having a recognized reputation for such work.

“*County Series 2017 Obligations Fund*” means the fund of that name created pursuant to Section 3.3(a).

“*Credit Facility*” means a bank, financial institution, insurance company or indemnity company that is engaged by or on behalf of the County to perform one or more of the following tasks: (a) enhance the credit of the County securing the Additional Obligations by assuring that principal of and interest on such Additional Obligations (or any interests therein) will be paid promptly when due (including the issuance of an insurance policy, letter of credit, surety bond or other form of security for a reserve) or (b) provide liquidity for Additional Obligations (or any interests therein) by undertaking to cause such Additional Obligations to be bought from the holders thereof when submitted pursuant to an arrangement prescribed by the Obligation Documents.

“*Fiscal Year*” means the 12-month period used by the County for its general accounting purposes as the same may be changed from time to time, said fiscal year currently extending from July 1 to June 30.

“*Indenture*” means the Series 2017 Obligation Indenture, dated as of February 1, 2017, by and between the Trustee and the County, as supplemented from time to time.

“*Interest Requirement*” means (i) with respect to this Purchase Agreement, as of any date of calculation, the interest amount on this Purchase Agreement due during the then-current Bond Year, (ii) with respect to Parity Obligations, as of any date of calculation, the amount required to be paid by the County during the then-current Bond Year with respect to interest on such Parity Obligations, and (iii) with respect to Additional Obligations, as of any date of calculation, the amount required to be paid by the County during the then-current Bond Year with respect to interest on such Additional Obligations. In the case of Variable Rate Obligations Outstanding or proposed to be incurred, the Interest Requirement shall be computed with the Assumed Interest Rate.

“*Operating Expenses*” means the reasonable and necessary costs of operation, maintenance and repair of the System, including salaries, wages, cost of materials and supplies, and insurance, but excluding (i) non-cash transactions, including particularly, but not by way of limitation, depreciation or loss on disposal or transfer of assets, (ii) the Principal Requirement and the Interest Requirement on the Series 2017 Obligations, Parity Obligations and Additional Obligations, (iii) payments required to be made by the County pursuant to Section 3.3(b)(iv)

hereof or similar provisions with respect to any documents authorizing Parity Obligations or Additional Obligations for deposit into the Debt Service Reserve Account or a debt service reserve account with respect to Parity Obligations or Additional Obligations, and (iv) the Rebate Requirement determined pursuant to Section 2.4 hereof and any payments required to be made to satisfy the rebate requirements of Section 148(f) of the Code with respect to any Parity Obligations or Additional Obligations.

“Outstanding” when used with reference to Additional Obligations, shall have the meaning assigned to such term in the corresponding, applicable Additional Obligation Documents, which shall be as similar as possible to such definition in the Indenture.

“Parity Lien Test Debt Service” means the highest aggregate Principal Requirement and Interest Requirement of all Series 2017 Obligations, Parity Obligations and Additional Obligations then Outstanding to fall due and payable in the current or any future Bond Year.

“Parity Obligation Documents” means any contract (including a resolution of the Board) or agreement of the County constituting or authorizing Parity Obligations.

“Parity Obligations” means the outstanding sewer revenue obligations and sewer revenue bonds issued or incurred by the County and having a parity of lien on the Pledged Revenues with the Series 2017 Obligations, being the \$165,000,000 original aggregate principal amount of Sewer System Revenue Obligations, Series 2010, the \$189,160,000 original aggregate principal amount of Sewer System Revenue Obligations, Series 2011B, the \$128,795,000 original aggregate principal amount of Sewer System Revenue Obligations, Series 2012A, the \$48,500,000 original aggregate principal amount of Sewer System Revenue Obligations, Series 2014 and the \$211,595,000 original aggregate principal amount of Sewer System Revenue Refunding Obligations, Series 2016.

“Pledged Revenues” means Revenues (including any unrestricted cash balances of the System) remaining after deducting the Operating Expenses. For the purposes of the computation required by Sections 4.4, 5.3(b) and 5.3(c), additional amounts will be added to, or subtracted from, the Pledged Revenues of the preceding Fiscal Year, as follows: (i) if all or part of the proceeds of the Additional Obligations described in Section 4.4 are to be expended for the acquisition of sewer properties, then the Revenues that would have been derived from the operation of such acquired sewer properties during the entire immediately preceding Fiscal Year, as estimated by a Consultant, will be added; (ii) if during such preceding Fiscal Year the County has acquired or sold sewer properties, then the revenues that would have been derived from the operation of such sewer properties during such Fiscal Year had such sewer properties been acquired and operating or sold and not operating throughout such Fiscal Year, as estimated by a Consultant, will be added or subtracted, respectively; and (iii) if during such preceding Fiscal Year the County has increased rates, fees and charges with respect to the System, then the increased amount that would have been received during such Fiscal Year had such increase been in effect throughout such Fiscal Year, as estimated by a Consultant, will be added.

“Principal Requirement” means (i) with respect to this Purchase Agreement, as of any date of calculation, the principal amount of the Series 2017 Obligations maturing or subject to mandatory redemption pursuant to the Indenture during the then-current Bond Year, and (ii) with

respect to Parity Obligations and Additional Obligations, as of any date of calculation, the principal amount required to be paid by the County during the then-current Bond Year with respect to such Parity Obligations and Additional Obligations, as applicable. In computing the Principal Requirement for such Parity Obligations or Additional Obligations, an amount of such Parity Obligations or Additional Obligations, as applicable, required to be redeemed pursuant to mandatory redemption in each year shall be deemed to fall due in that year and (except in case of default in observing a mandatory redemption requirement) shall be deducted from the amount of the Parity Obligations or Additional Obligations, as applicable, maturing on the scheduled maturity date. In the case of Parity Obligations or Additional Obligations supported by a Credit Facility, the Principal Requirement for such Parity Obligations or Additional Obligations, as applicable, shall be determined in accordance with the principal retirement schedule specified in the Parity Obligation Documents or Additional Obligation Documents authorizing the incurrence of such Parity Obligations or Additional Obligations, as applicable, rather than any amortization schedule set forth in such Credit Facility unless payments under such Parity Obligations or Additional Obligations, as applicable, shall be in default at the time of the determination, in which case the Principal Requirements for such Parity Obligations or Additional Obligations shall be determined in accordance with the amortization schedule set forth in such Credit Facility.

“Prior Obligations” means the outstanding revenue bonds and loan agreements between WIFA and the County issued or incurred pursuant to the Senior Lien Resolution being the Pima County, Arizona, Sewer Improvement Bonds, Series 2007, the Pima County, Arizona, Sewer Improvement Bonds, Series 2008, the Pima County, Arizona, Sewer Improvement Bonds, Series 2009, the Loan Agreement, dated May 11, 2004, as amended, between WIFA and the County, and the Loan Agreement, dated October 9, 2009, between WIFA and the County.

“Purchase Event of Default” means one of the events defined as such in Section 7.1.

“Purchase Price” means the sum of the payments paid pursuant to Section 5.4(i) and (ii) of the Indenture from amounts to be paid by or on behalf of the County as the purchase price for the Series 2017 Property.

“Rating Category” means one of the general rating categories of a Rating Agency without regard to any refinement or gradation of such rating category by numerical modifier or otherwise.

“Regulations” means sections 1.148-1 through 1.148-11 and section 1.150-1 of the regulations of the United States Department of the Treasury promulgated under the Code, including and any amendments thereto or successor regulations.

“Revenues” means and includes all income, moneys and receipts derived by the County from the ownership, use and operation of the System including, without limitation, interest received on, and profits realized from the sale of, investments made with moneys of the System, but excluding (i) any amounts received that the County is contractually required to pay out as reimbursement for acquisition, construction or installation of the System, (ii) the proceeds of the Series 2017 Obligations, Parity Obligations or any Additional Obligations or the interest received on any proceeds of Parity Obligations or Additional Obligations placed irrevocably in

trust to pay, or provide for the payment of, any Series 2017 Obligations, Parity Obligations or Additional Obligations, or (iii) any non-cash capital contributions received by the County for the use and operation of the System.

“Senior Lien Resolution” means Resolution No. 1991-138 passed and adopted by the Board of Supervisors of the County on June 18, 1991, as amended by Resolution No. 1991-182 passed and adopted by the Board of Supervisors of the County on August 6, 1991, as thereafter supplemented and amended.

“Series 2017 Obligations” means the \$45,000,000 original aggregate principal amount of Sewer System Revenue Obligations, Series 2017, Evidencing Proportionate Interests of the Holders Thereof in Installment Payments of the Purchase Price to be Paid by Pima County, Arizona, Pursuant to a Series 2017 Purchase Agreement, dated as of February 1, 2017, evidencing a proportionate interest in certain rights pursuant to this Purchase Agreement, including the right to receive payment of the Purchase Price.

“Series 2017 Projects” means, in the aggregate, the improvements described on Exhibit A attached to this Purchase Agreement and incorporated by reference in this Purchase Agreement, as amended from time to time.

“Series 2017 Property” means any or all of the components of the Series 2017 Projects actually financed with proceeds of the Series 2017 Obligations.

“System” means the entire sewer system of the County including all sewer properties of every nature owned by the County after execution of this Purchase Agreement and all acquisitions, improvements and extensions added thereto by the County, including all real and personal property of every nature comprising part of, or used or useful in connection with, the sewer system of the County, and including all appurtenances, contracts, leases, franchises, and other intangibles.

“Tax Certificate” means the Certificate Relating To Federal Tax Matters, dated February 9, 2017, delivered by the County with respect to the Series 2017 Obligations.

“Variable Rate Obligations” means any Additional Obligations that may, in the future, bear interest at rates that cannot be determined with specificity on their original incurrence.

“WIFA” means the Water Infrastructure Finance Authority.

Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; references to an “Article” or a “Section” are to those of this Purchase Agreement. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise. The captions and headings in this Purchase Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses of this Purchase Agreement.

ARTICLE 2
EXECUTION AND DELIVERY OF SERIES 2017 OBLIGATIONS;
APPLICATION OF PROCEEDS; IMPROVEMENTS FUND;
FEDERAL LAW COVENANTS

Section 2.1 Agreement to Cause Execution and Delivery of Series 2017 Obligations; Application of Proceeds. In order to provide funds for payment of the costs of the acquisition, construction and improvement of the Series 2017 Projects and of execution and delivery of the Series 2017 Obligations, the Series 2017 Obligations shall be executed and delivered pursuant to the Indenture. (Reimbursement of capital expenditures relating to the Series 2017 Projects advanced prior to the execution and delivery of the Series 2017 Obligations shall be reimbursed, and the costs of the Series 2017 Projects, including but not limited to the costs of execution and delivery of the Series 2017 Obligations, shall be paid, in each case as provided in Section 2.2.)

Section 2.2 Improvements Fund.

(a) The County shall establish and maintain a separate fund known as the “*Improvements Fund*,” that shall be funded from amounts transferred to the County by the Trustee pursuant to Section 5.2 of the Indenture. Moneys in the Improvements Fund shall be disbursed by the County for the following purposes and for no other purposes:

(i) to the extent not paid by the Trustee from the Delivery Costs Fund established under the Indenture, Delivery Costs;

(ii) payment for labor, services, materials and other necessities used or furnished in the acquisition, improvement and construction of the Series 2017 Projects, and all real and personal property deemed necessary in connection with the Series 2017 Projects and for the miscellaneous expenses incidental to any of the foregoing including the premium on each performance and payment bond;

(iii) reimbursement of capital expenditures relating to the Series 2017 Projects advanced prior to the execution and delivery of the Series 2017 Obligations and

(iv) payment of the portion of the Purchase Price representing interest on the Series 2017 Obligations during the acquisition, construction and improvement of the Series 2017 Projects.

(b) Before any of the foregoing payments may be made, the County shall maintain a record with respect to each such payment to the effect that: (i) none of the items for which the payment is proposed to be made has formed the basis for any payment previously made from the Improvements Fund, (ii) each item for which payment is proposed to be made is or was necessary in connection with the Series 2017 Projects and (iii) each item for which payment is proposed to be made is for a purpose permitted by this Section.

(c) In the case of any contract providing for the retention of a portion of the contract price, subject to Sections 2.3 and 2.4, the County may pay from the Improvements Fund only the net amount remaining after deduction of any such portion.

(d) The County shall notify the Trustee of the completion date of the Series 2017 Projects by delivery of a certificate signed by the County Representative stating that (i) acquisition, construction and improvement of the Series 2017 Property has been completed and (ii) all obligations and costs in connection with the Series 2017 Property and payable out of the Improvements Fund have been paid and discharged, except for amounts retained by the County for payment of costs of the Series 2017 Property not yet due and payable. Any moneys held in the Improvements Fund upon delivery of such certificate that are not needed to pay costs of the Series 2017 Projects shall be transferred by the County to the Trustee for deposit to the Interest Account or the Principal Account as indicated in such certificate.

Section 2.3 General Federal Tax Covenants.

(a) As provided in further detail in the Tax Certificate, the County shall not make or direct the making of any investment or other use of the proceeds of any of the Series 2017 Obligations or the Series 2017 Property that would cause such Series 2017 Obligations to be “arbitrage bonds” as that term is defined in section 148 of the Code or “private activity bonds” as that term is defined in section 141 of the Code and shall comply with the requirements of such sections of the Code and the related Regulations throughout the term of the Series 2017 Obligations. Particularly, the County shall be the owner of the Series 2017 Projects for federal income tax purposes. The County shall not enter into (i) any management or service contract with any entity other than a governmental entity for the operation of any portion of the Series 2017 Projects unless the management or service contract complies with the requirements of Revenue Procedure 97-13 or such other authority as may control at the time or (ii) any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Series 2017 Projects. Also, the payment of principal and interest with respect to the Series 2017 Obligations shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Series 2017 Obligations, or amounts treated as proceeds of the Series 2017 Obligations, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds (i) may be so invested for an initial temporary period until needed for the purpose for which the Series 2017 Obligations are being executed and delivered, (ii) may be so used in making investments of a *bona fide* debt service fund or (iii) may be invested in obligations issued by the United States Treasury.)

(b) The County shall comply with the procedures and covenants contained in any arbitrage rebate provision (initially, Section 2.4) or separate agreement executed in connection with the issuance of the Series 2017 Obligations for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2017 Obligations. In consideration of the purchase and acceptance of the Series 2017 Obligations by the Holders thereof from time to time and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, as amended, the County covenants, and the appropriate officials of the County are directed by this Purchase Agreement, to take all action required by the Code to preserve such exclusion or to refrain from taking any action prohibited by the Code that would adversely affect in any respect such exclusion.

(c) (i) The County shall take all necessary and desirable steps to comply with the requirements under this Purchase Agreement in order to ensure that interest on the Series 2017 Obligations is excluded from gross income for federal income tax purposes under the Code; provided, however, compliance with any such requirement shall not be required in the event the County receives a Special Counsel's Opinion that either (A) compliance with such requirement is not required to maintain the exclusion from gross income of interest on the Series 2017 Obligations, or (B) compliance with some other requirement will meet the requirements of the Code. In the event the County receives such a Special Counsel's Opinion, this Purchase Agreement shall be amended to conform to the requirements set forth in such opinion.

(ii) If for any reason any requirement under this Purchase Agreement is not complied with, the County shall take all necessary and desirable steps to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence and the County shall pay any required interest or penalty under Regulations section 1.148-3(h).

(d) Written procedures have been established for the County to ensure that all nonqualified obligations are remediated according to the requirements under the Code and related Regulations and to monitor the requirements of section 148 of the Code relating to arbitrage, with which the County will comply.

Section 2.4 Arbitrage Rebate Covenants.

(a) Terms used in subsection (b) and not otherwise defined in Article 1 or in subsection (b) shall have the meanings given to them in the Code and the Regulations.

(b) For purposes of this Section, the following terms shall have the following meanings:

“*Bond Year*” shall have the meaning provided above, except that for purposes of this Section the first Bond Year shall begin on the date of issue of the Series 2017 Obligations and shall end on July 1, 2017, and the last Bond Year shall end on the date of retirement of the last Series 2017 Obligations.

“*Bond Yield*” is as indicated in the Tax Certificate and means the discount rate that produces a present value equal to the Issue Price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of Regulations section 1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the Series 2017 Obligations as determined under Regulations section 1.148-4(b). The present value of all such payments shall be computed as of the date of issue of the Series 2017 Obligations and using semiannual compounding on the basis of a 360-day year. Bond Yield shall be recomputed if required by Regulations section 1.148-4(b)(4) or 4(h)(3).

“*Gross Proceeds*” means:

- (i) any amounts actually or constructively received by the County from the sale of the Series 2017 Obligations;
- (ii) transferred proceeds of the Series 2017 Obligations under Regulations section 1.148-9;
- (iii) any amounts actually or constructively received from investing amounts described in (i), (ii) or this (iii) and
- (iv) replacement proceeds of the Series 2017 Obligations within the meaning of Regulations section 1.148-1(c). Replacement proceeds include amounts reasonably expected to be used directly or indirectly to pay debt service on the Series 2017 Obligations, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the Series 2017 Obligations in the event the County encounters financial difficulties and other replacement proceeds within the meaning of Regulations section 1.148-1(c)(4). Whether an amount is Gross Proceeds is determined without regard to whether the amount is held in any fund or account established under the Indenture.

“*Investment Property*” means any security, obligation (other than a tax-exempt bond within the meaning of Code section 148(b)(3)(A)), annuity contract or investment-type property within the meaning of Regulations section 1.148-1(b).

“*Issue Price*” is as indicated in the Tax Certificate, which is the initial offering price to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters of wholesalers) at which price a substantial amount of the Series 2017 Obligations was sold, less any bond insurance premium and reserve surety bond premium. Issue price shall be determined as provided in Regulations section 1.148-1(b).

“*Nonpurpose Investment*” means any Investment Property acquired with Gross Proceeds, and that is not acquired to carry out the governmental purposes of the Series 2017 Obligations.

“*Payment*” means any payment within the meaning of Regulations section 1.148-3(d)(1) with respect to a Nonpurpose Investment.

“*Rebate Requirement*” means at any time the excess of the future value of all Receipts over the future value of all Payments. For purposes of calculating the Rebate Requirement the Bond Yield shall be used to determine the future value of Receipts and Payments in accordance with Regulations section 1.148-3(c). The Rebate Requirement is zero for any Nonpurpose Investment meeting the requirements of a rebate exception under section 148(f)(4) of the Code or Regulations section 1.148-7.

“*Receipt*” means any receipt within the meaning of Regulations section 1.148-3(d)(2) with respect to a Nonpurpose Investment.

(c) Within 60 days after the end of each Bond Year, unless an exemption from the requirement to do so is provided by the Code and the Regulations, the County shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(i) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount that, when added to the future value of all previous rebate payments with respect to the Series 2017 Obligations (determined as of such Computation Date), is equal to at least 90 percent of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous rebate payments with respect to the Series 2017 Obligations (determined as of the last day of such Bond Year) and

(ii) not later than 60 days after the retirement of the last Series 2017 Obligation, an amount equal to 100 percent of the Rebate Requirement (determined as of the date of retirement of the last Series 2017 Obligation).

Each payment required to be made under this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201 (or at such other address then specified by the Internal Revenue Service), on or before the date such payment is due, and shall be accompanied by IRS Form 8038-T.

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

(e) For purposes of subsection (d), whether a Nonpurpose Investment has been purchased or sold or disposed of for its fair market value shall be determined as follows:

(i) The fair market value of a Nonpurpose Investment generally shall be the price at which a willing buyer would purchase the Nonpurpose Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

(ii) Except as provided in subsection (f) or (g), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(iii) If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

(f) The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

(i) the yield on reasonably comparable direct obligations of the United States and

(ii) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(g) A guaranteed investment contract shall be considered acquired and disposed of for an amount equal to its fair market value if:

(i) A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the County or any other person (whether or not in connection with the Series 2017 Obligations), and that the bid is not being submitted solely as a courtesy to the County or any other person for purposes of satisfying the requirements in the Regulations that the County receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Series 2017 Obligations.

(ii) All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

(iii) At least three reasonably competitive providers (i.e. having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Series 2017 Obligations (e.g., a lead underwriter within 15 days of the issue date of the Series 2017 Obligations or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If the County uses an agent to conduct the bidding, the agent may not bid.

(iv) The highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees) is purchased.

(v) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

(vi) The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

(vii) The provider of the investment contract certifies the administrative costs (as defined in Regulations section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

(viii) The County retains until three years after the last Outstanding Series 2017 Obligation is retired, (A) a copy of the guaranteed investment contract, (B) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by the County and a copy of the provider's certification described in (vii) above, (C) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (D) the bid solicitation form and, if the terms of the guaranteed investment contract deviates from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose of the deviation.

(h) Such experts and consultants shall be employed to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with section 148(f) of the Code with respect to the Series 2017 Obligations.

Section 2.5 Reporting Requirements. If the County no longer files on the Electronic Municipal Market Access system, or such other nationally recognized municipal securities information repository in use at the time of filing, the items required to be filed pursuant to the continuing disclosure undertakings entered into by the County in connection with the execution and delivery of the Parity Obligations, the County shall provide such items as required by such continuing disclosure undertakings to the Purchaser by Electronic Means, so long as the Purchaser is the owner of the Series 2017 Obligations, within the times required by such continuing disclosure undertakings.

ARTICLE 3 AGREEMENT OF SALE; PURCHASE PRICE

Section 3.1 Agreement of Sale. For the amounts payable pursuant to this Purchase Agreement (including the Purchase Price), the Seller sells and conveys to the County, without warranty, and the County purchases from the Seller, the Series 2017 Property. In order to evidence such sale and conveyance, the Seller has executed and delivered to the County a bill of sale in substantially the form of Exhibit B attached to this Purchase Agreement and incorporated by reference in this Purchase Agreement.

Section 3.2 Possession of and Title to Series 2017 Property; Authority of Seller to Pledge Its Interests.

(a) The County shall be entitled to possession of, and full and unencumbered title to, the Series 2017 Property, without suit, trouble or hinderance from the Seller. The Series 2017 Property shall be made a part of the System and shall be used in accordance with all applicable laws.

(b) The Seller may mortgage, hypothecate or pledge all or any part of the interest of the Seller in this Purchase Agreement as security for the Series 2017 Obligations.

Section 3.3 County Series 2017 Obligations Fund; Amounts Payable After Execution and Delivery of Series 2017 Obligations.

(a) Upon the issuance of the Series 2017 Obligations, the County shall establish and maintain a separate, internal fund known as the “*County Series 2017 Obligations Fund*,” which the County shall hold in trust for the Holders of the Series 2017 Obligations. On or before the 10th day of each month, the County shall transfer Pledged Revenues received pursuant to Section 4.1 into the County Series 2017 Obligations Fund as follows:

(i) Commencing March 10, 2017, one-fourth (1/4) of the interest on the Series 2017 Obligations falling due on the July 1, 2017 Obligation Payment Date and, thereafter, one-sixth (1/6) of the interest on the Series 2017 Obligations falling due on the next succeeding Obligation Payment Date, which amounts shall be used to make the payments required by Section 3.3(b)(ii) below.

(ii) Commencing July 10, 2017, one-twelfth (1/12) of the principal due or subject to mandatory redemption on the next succeeding July 1, which amounts shall be used to make the payments required by Section 3.3(b)(iii) below.

(b) After providing for any amounts due pursuant to Section 2.4(c), the Pledged Revenues received pursuant to Section 4.1 (whether held by the County in the County Series 2017 Obligations Fund or otherwise) shall be paid for the following purposes and in the following order of priority:

(i) On the dates necessary therefor, fees and expenses of the Trustee in accordance with the provisions of Section 8.8 of the Indenture to the Trustee.

(ii) Not later than one Business Day prior to the date on which due, the interest on the Series 2017 Obligations falling due on the next succeeding Obligation Payment Date for deposit to the Interest Account created by the Trustee under the Indenture.

(iii) Not later than one Business Day prior to the date on which due, the principal of the Series 2017 Obligations due or subject to mandatory redemption on the next succeeding Obligation Payment Date for deposit to the Principal Account created by the Trustee under the Indenture.

(iv) After a determination of the Trustee that the amount on deposit in the Debt Service Reserve Account is less than the Reserve Requirement, on or before the 10th day of each month, an amount equal to one-twelfth (1/12) of the amount that, when added to the balance in the Debt Service Reserve Account, will be equal to the amount then required to be on deposit therein for deposit to the Debt Service Reserve Account.

(c) In the event the County should fail to make when due any of the payments required by this Section, the installment so in default shall continue as an obligation of the County, payable solely from the Pledged Revenues, until the amount in default shall have been fully paid, and the County shall pay the same with interest thereon at the rate applicable to the

corresponding maturities of Series 2017 Obligations, from the date said payment was to be made to the date of payment by the County until paid. This Purchase Agreement shall be deemed and construed to be a “*net purchase agreement*,” and the payments provided for in this Section shall be an absolute net return to the Seller, free and clear of any expenses or charges whatsoever, except as otherwise specifically provided in this Purchase Agreement. The County shall cause an amount of Revenues to be included in the annual budget for every Fiscal Year sufficient to meet all requirements of this Purchase Agreement.

Section 3.4 Obligations of County Unconditional. The obligations of the County to make the payments required in Section 3.3 and to perform and observe the other agreements on its part contained in this Purchase Agreement shall be absolute and unconditional, regardless of the continued existence of the Series 2017 Property or its physical condition. The County (a) shall not diminish, suspend or discontinue any payments provided for in Section 3.3, (b) shall perform and observe all of its other agreements contained in this Purchase Agreement and (c) shall not terminate this Purchase Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, loss, theft or destruction of or damage to the Series 2017 Property, or any part thereof, frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Purchase Agreement. Nothing contained in this Section shall be construed to release the Seller from the performance of any of the agreements on its part contained in this Purchase Agreement, and in the event the Seller shall fail to perform any such agreement on its part, the County may institute such action against the Seller as the County may deem necessary to compel performance or recover its damages for non-performance so long as such action shall not violate or impair the effectiveness of the agreements on the part of the County contained in the next two preceding sentences. The County may, however, at its own cost and expense and in its own name or in the name of the Seller, prosecute or defend any action or proceeding or take any other action involving third persons that the County deems reasonably necessary in order to secure or protect its rights of ownership, possession and use under this Purchase Agreement, and in such event the Seller agrees to cooperate fully with the County and to take all action necessary to effect the substitution of the County for the Seller in any such action or proceeding if the County shall so request.

Section 3.5 Prepayment of Purchase Price Generally. The County shall be permitted to prepay all or a part of the Purchase Price composed of the principal and interest components thereof to the extent and in the manner permitted by the Indenture for the redemption of the Series 2017 Obligations. If such prepayment is made in compliance with the terms of the Indenture, the Seller shall cause the Trustee under the Indenture to accept such prepayment to the extent required to provide for a permitted redemption or provision for payment of such Series 2017 Obligations as shall be directed by the County. No other prepayment of the Purchase Price shall be permitted.

Section 3.6 Effect of Partial Payment or Prepayment. Upon any partial payment or prepayment of the Purchase Price resulting in a redemption of Series 2017 Obligations, each installment of interest that is thereafter payable as a part of the Purchase Price shall be reduced,

taking into account the interest rate or rates on the Series 2017 Obligations remaining Outstanding after the redemption of Series 2017 Obligations from the proceeds of such partial payment or prepayment so that the interest remaining payable as a part of the Purchase Price shall be sufficient to pay the interest on such Outstanding Series 2017 Obligations when due.

Section 3.7 Termination Upon Payment of Purchase Price; Excess Payments.

(a) Subject to Article 6, upon full payment or provision for payment of the Purchase Price and provided that the County has performed all the covenants and agreements required by the County to be performed under this Purchase Agreement, this Purchase Agreement shall cease and expire. Upon the expiration of this Purchase Agreement, the Seller shall cause the Trustee under the Indenture to release any interest that the Trustee may have in the Pledged Revenues from the lien of the Indenture.

(b) In the event of prepayment of the Purchase Price in full or provision for the payment thereof in full such that the Indenture shall be discharged by its terms as a result of such prepayment and payment of any fees and charges due and owing to the Trustee, all amounts then on deposit in the Improvements Fund (except for amounts retained by the County for payment of costs of the Series 2017 Property not yet due and payable in accordance with Section 2.2(c)) and the Obligation Fund shall be credited toward the amounts then required to be so prepaid at the direction of the Finance Director. Upon the payment thereof in accordance with the Indenture such that the Indenture shall be discharged by its terms, any money remaining that is not otherwise required to be applied to the payment of debt service on the Series 2017 Obligations or to the payment of any other amounts due under the Indenture shall be paid over to the County.

ARTICLE 4
SOURCE OF PURCHASE PRICE; RATE
COVENANT; PARITY OBLIGATIONS

Section 4.1 Limitation of Source of County Payments.

(a) This Purchase Agreement is a limited, special obligation of the County, payable solely and secured as to the payment in accordance with the terms and the provisions of this Purchase Agreement.

(b) All amounts to be paid by the County pursuant to Section 3.3 (or under any other section of this Purchase Agreement) shall be payable solely from the Pledged Revenues. Nothing, however, shall preclude the County, in the sole and absolute discretion of the Board, from paying such amounts from other moneys of the County; provided, however, under no circumstances shall amounts paid under this Purchase Agreement from such moneys constitute a pledge thereof, and amounts payable by the County under this Purchase Agreement shall never constitute a general obligation of the County or a pledge of *ad valorem* property taxes by the County.

(c) The County pledges, and shall raise and apply, the Pledged Revenues in such amounts and in such manner as required in this Purchase Agreement to make the payments required to be made by the County under this Purchase Agreement and covenants to make said payments from the Pledged Revenues. This pledge shall be a first lien and on a parity to the pledge thereof and lien thereon for the Parity Obligations and the Additional Obligations. All of the Pledged Revenues shall be immediately subject to such pledge 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 in this Purchase Agreement or the Parity Obligation Documents to incur this Purchase Agreement or Additional Obligations 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 Pledged Revenues and other moneys and investments pledged under this Purchase Agreement or under the Indenture. After the application of the Pledged Revenues for the purposes in this Purchase Agreement, they may be used for any lawful purpose.

Section 4.2 Rate Covenant. The County shall continuously control, operate and maintain the System in an efficient and economical manner and on a revenue-producing basis and shall establish and maintain rates, fees and other charges for all services supplied by the System to provide Pledged Revenues fully sufficient, after making reasonable allowance for contingencies and errors in estimates to produce (a) the Pledged Revenues in each Fiscal Year equal to at least 120 percent of the Principal Requirement and the Interest Requirement on all Series 2017 Obligations, Parity Obligations and Additional Obligations then Outstanding for the corresponding Bond Year (treating the Variable Interest Rate Obligations as bearing interest at the Assumed Interest Rate and Series 2017 Obligations, Parity Obligations and Additional Obligations then Outstanding subject to mandatory redemption as maturing on their respective mandatory redemption dates) and (b) an amount of Pledged Revenues for the then-current Fiscal Year that, net of the aggregate amounts required to be deposited to the Obligation Fund during such Fiscal Year, will be sufficient to provide at least 100 percent of the amounts with regard to any Credit Facility due and owing in such Fiscal Year.

Section 4.3 Prior Lien Obligations. After the date of execution of this Purchase Agreement, the County shall not incur any obligations payable from the Pledged Revenues that rank prior to the obligations of the County under this Purchase Agreement.

Section 4.4 Additional Obligations Generally. Additional Obligations may be incurred if there shall not be any Indenture Event of Default or Purchase Event of Default upon the incurrence thereof and the Pledged Revenues for the completed Fiscal Year immediately preceding the incurrence of such Additional Obligations have been (a) at least equal to 120 percent of the Parity Lien Test Debt Service including such Additional Obligations and (b) sufficient to provide an amount of the Pledged Revenues for the then-current Fiscal Year that, net of the aggregate amounts required to be deposited to the Obligation Fund during such Fiscal Year, will be sufficient to provide at least 100 percent of the amounts with regard to any Credit Facility due and owing in such Fiscal Year.

ARTICLE 5
COVENANTS REGARDING THE SYSTEM,
MAINTENANCE, INVESTMENTS AND TAXES

Section 5.1 Utilities; Maintenance of the System in Good Condition. All maintenance and repair of the Series 2017 Property and utilities therefor shall be the responsibility of the County. (In exchange for the payment of the amounts due under this Purchase Agreement, the Seller shall provide nothing more than the Series 2017 Property.) The County shall (a) maintain the System in good condition, (b) operate the same in a proper and economical manner and at reasonable cost and (c) faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State.

Section 5.2 Insurance. The County shall maintain insurance on the System (which may take the form of or include an adequately-funded program of self-insurance), for the benefit of the Holder or Holders of the Series 2017 Obligations payable wholly or in part from the Revenues, for the full insurable value of all buildings and machinery and equipment therein, against loss or damage by fire, lightning, tornado or winds, and all other combustible property against loss or damage by fire or lightning, and other coverages and amounts of insurance (including public liability and damage to property of others to the extent deemed prudent by the County), normally carried by others on similar operations. The cost of such insurance may be paid as an Operating Expense. All money received for losses under any such insurance policies, except public liability policies, is pledged by the County as security for the payment of this Purchase Agreement until and unless such proceeds are paid out in making good the loss or damage in respect of which such proceeds are received. Self-insurance may be maintained for the System either separately or in connection with any general self-insurance retention program or other insurance program maintained by the County; provided that (a) any such program has been adopted by the County and (b) an independent insurance or actuarial consultant appointed by the County annually reviews and reports to the County in writing that any such program is adequate and actuarially sound.

Section 5.3 No Sale; Lease or Encumbrance Exceptions.

(a) The County shall not sell, lease, encumber or in any manner dispose of the System as a whole until all of the Series 2017 Obligations and all interest thereon shall have been paid in full or provision for payment has been made in accordance with the Indenture.

(b) The County may sell, lease or otherwise dispose of any of the property comprising a part of the System in the following manner, if any one of the following conditions exists: (a) such property is not necessary for the operation of the System, (b) such property is not useful in the operation of the System, (c) such property is not profitable in the operation of the System or (d) the disposition of such property will be advantageous to the System and will not adversely affect the security for the Holders of the Series 2017 Obligations. In addition, the County may sell to any municipality or political subdivision of the State or any agency of any one or more of them, any portion of the System if there is filed with the Finance Director a certificate executed by the Consultant showing that, in opinion of such Consultant, the proposed sale will not reduce the Pledged Revenues to be received in the full Bond Year next succeeding such sale to an amount less than 120 percent of the Parity Lien Test Debt Service. In making

such computation, the Consultant shall consider such matters as such Consultant deems appropriate including: (i) anticipated diminution of Revenues; (ii) anticipated increase or decrease in Operating Expenses attributable to the sale and (iii) reduction, if any, in annual principal and interest requirements attributable to the application of the sale proceeds for payment of Series 2017 Obligations then Outstanding.

(c) The County may sell or otherwise transfer the System as a whole to any municipality or political subdivision or agency of one or more political subdivisions of the State to which may be delegated the legal authority to own and operate the System on behalf of the public, and that undertakes in writing, filed with the Finance Director and the Seller, the County's obligations under this Purchase Agreement; provided that there shall be first filed with the Finance Director and the Seller (1) a Special Counsel's Opinion to the effect that (A) such sale will not cause interest on any of the Series 2017 Obligations to become subject to federal income taxation, (B) such sale will not materially diminish the security of the Holders of the Series 2017 Obligations (which opinion may be based on the Consultant's report described in clause (2), below) and (C) the obligations of the County under this Purchase Agreement have been validly assumed by such transferee and are the valid and legally binding obligations of such transferee and (2) an opinion of a Consultant expressing the view that such transfer in and of itself will not result in any diminution of the Pledged Revenues to the extent that in the full Bond Year next succeeding such transfer the Pledged Revenues will be less than 120 percent of the Parity Lien Test Debt Service. In reaching this conclusion, the Consultant shall take into consideration such factors as he may deem significant including any rate schedule to be imposed by said political subdivision or agency.

(d) Notwithstanding the above provisions, the County may sell or lease all or any part of the System in connection with the issuance of Additional Obligations to finance additional improvements to the System or refinance the Series 2017 Obligations, the Parity Obligations, Additional Obligations or Prior Obligations provided that such sale or lease does not permit foreclosure, or other loss by the County, of such portion of the System.

Section 5.4 Books, Records and Accounts. The County shall cause to be kept proper books, records and accounts of the System in accordance with standard accounting practices and procedures customarily used for systems of similar nature.

Section 5.5 Satisfaction of Liens. The County shall, from time to time, duly pay and discharge or cause to be paid and discharged all taxes, assessments and other governmental charges, if any, lawfully imposed upon the System or any part thereof or upon the Pledged Revenues, as well as any lawful claims for labor, materials or supplies that if unpaid might by law become a lien or charge upon the System or the revenues or any part thereof or that might impair the security of the Series 2017 Obligations, except when the County in good faith contests its liability to pay the same.

Section 5.6 Disconnection of Service for Non-Payment; No Free Service.

(a) The County shall diligently enforce payment of all bills for sewer services supplied by the System. If a bill becomes delinquent and remains so for a period to be determined in accordance with County policy from time to time, the County shall discontinue

sewer service in accordance with the laws of the State to any premises the owner or occupant of which shall be so delinquent, and will not recommence such service to such premises until all delinquent charges with penalties shall have been paid in full or provisions for payment satisfactory to the County shall have been made. The County shall do all things and exercise all remedies reasonably available to assure the prompt payment of charges for all services supplied by the System.

(b) No free sewer service shall be furnished by the System to the County or any department thereof or to any person, firm or corporation, public or private, or to any public agency or instrumentality, except as provided in this Purchase Agreement. The reasonable cost and value of all service rendered to the County and its various departments by the System shall be charged against the County and will be paid for as the service occurs from the County's current funds. All payments so made shall be considered Revenues and shall be applied in the manner provided in this Purchase Agreement for the application of the Revenues of the System.

Section 5.7 No Competing System. The County shall not, to the extent permitted by law, grant a franchise or permit for the operation of any competing sewer system within, in whole or in part, the service areas of the System.

Section 5.8 Taxes. All taxes of any type or nature charged to the Seller by reason of this Purchase Agreement or affecting the Series 2017 Property or affecting the amount available to the Seller from payments received under this Purchase Agreement for the payment of the Series 2017 Obligations (including charges assessed or levied by any governmental agency, district or corporation having power to levy taxes) shall upon receipt of invoices therefor be paid by the County. Upon written request of the County, the Seller shall cooperate with the County in taking whatever steps are necessary to contest the amount of tax, or to recover any tax paid if the County believes such tax or assessment to be improper or invalid. The County shall reimburse the Seller for any and all costs, including reasonable attorneys' fees and expenses, thus incurred by the Seller.

ARTICLE 6 INDEMNIFICATION

To the extent permitted by law, the County agrees to indemnify and hold the Seller, its directors, officers, agents, attorneys and employees, harmless for, from and against any and all claims, expenses, liens, judgments, liability or loss whatsoever, including reasonable legal fees and expenses, relating to or in any way arising out of (a) this Purchase Agreement, the Indenture, any documents executed in connection herewith or therewith, financing statements, supplements, amendments or additions thereto or the enforcement of any of the terms thereof; (b) the Series 2017 Obligations; (c) the sale and execution and delivery of the Series 2017 Obligations or the transactions contemplated in any of the aforementioned acts, agreements or documents; or (d) the acquisition, purchase, ownership, lease, possession, rental, use, operation, sale or disposition of the Series 2017 Property under this Purchase Agreement or in connection with this Purchase Agreement (including, without limitation, expense, liability or loss relating to or in any way arising out of injury to persons, property or the environment, patent or invention rights or strict liability in tort). The right of the Seller to indemnification from the County shall not extend to

claims, suits and actions successfully brought against the Seller for, or losses, liabilities or expenses incurred as a result of, the negligence, bad faith, willful misconduct or breach of trust of the Seller. To the extent that the County makes or provides for payment to the satisfaction of the Seller under the indemnity provisions of this Purchase Agreement, the County shall be subrogated to the rights of the Seller with respect to such event or condition and shall have the right to determine the settlement of claims thereon, it being agreed that, except to the foregoing extent, the Seller shall have the right to determine such settlement. The County shall pay all amounts due under this Purchase Agreement promptly upon notice thereof from the Seller. In case any action, suit or proceeding is brought against the Seller, if any, by reason of any act or condition that requires indemnification by the County under this Purchase Agreement, the Seller shall notify the County promptly of such action, suit or proceeding, and the County may (and shall upon the request of the Seller), at the expense of the County, resist and defend such action, suit or proceeding, or cause the same to be resisted and defended, by counsel designated by the County and approved by the Seller. If the Seller desires to participate in the defense of such action, suit or proceeding through its own counsel, it may do so at its own expense; provided, however, that such Seller's separate counsel shall be at the County's expense if (i) the employment of such counsel has been authorized by the County, or (ii) the County shall have failed promptly after receiving notice of such action from the Seller to assume the defense of such action and employ counsel reasonably satisfactory to the Seller, or (iii) the named parties to any such action (including any impleaded parties) include the Seller and the County, and the Seller shall have been advised by counsel that there may be one or more legal defenses available to such party which are different from or in addition to those available to the County, or (iv) the Seller shall have been advised by counsel that there is a conflict on any issue between the Seller and the County. The Seller, its directors, officers, agents, attorneys, and employees, shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in connection with the Series 2017 Property. These indemnity provisions shall survive the satisfaction and expiration of this Purchase Agreement and the Indenture and the earlier removal or resignation of the Trustee, as assignee of the Seller under this Purchase Agreement.

ARTICLE 7 DEFAULT AND REMEDIES

Section 7.1 Purchase Events of Default. Any one or more of the following events ("*Purchase Events of Default*") shall constitute a default under this Purchase Agreement:

(a) The County shall fail to make any payment when due under Section 3.3(b)(ii) or (iii); or

(b) The County shall fail to make any payment under Section 3.3(b)(i) or (iv) for a period of 30 days after notice of such failure shall have been given in writing to the County by the Seller or by the Trustee; or

(c) The County shall fail to perform any other covenant in this Purchase Agreement for a period of 30 days after written notice specifying such default shall have been given to the County by the Seller or the Trustee, provided that if such failure is a type that cannot

be remedied within such 30 day period, it shall not be deemed a Purchase Event of Default so long as the County diligently tries to remedy the same and such failure does not continue for a period of more than 60 days; or

(d) The filing by the County of a voluntary petition in bankruptcy, or failure by the County promptly to lift any execution, garnishment or attachment, or assignment by the County for the benefit of creditors, or the entry by the County into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the County in any proceedings instituted under the provisions of the Federal Bankruptcy statutes, as amended, or under any similar acts that may be enacted after execution of this Purchase Agreement.

Section 7.2 Remedies on Default by County. Upon the occurrence of a Purchase Event of Default, the Seller shall, but only if indemnified to its satisfaction by the Holders and requested to do so by the Trustee (acting upon direction from the Holders of a majority in aggregate principal amount of the Series 2017 Obligations), without further demand or notice, exercise any of the available remedies at law or in equity, including, but not limited to, specific performance, except that under no circumstances may amounts due under this Purchase Agreement be accelerated. Upon the filing of suit by the Trustee, 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 of the Operating Expenses and to make all required payments under this Purchase Agreement. The Seller may assign any or all of its rights and privileges under this Section to the Trustee, and upon furnishing evidence of such assignment to the County, the Trustee may exercise any or all of such rights or privileges as it may deem advisable. Nothing herein shall be deemed to authorize the Seller to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment, or composition affecting the Series 2017 Obligations or the rights of any Holder thereof, or to authorize the Seller to vote in respect of the claim of any Holder in any such proceeding without the approval of the Holders so affected.

Section 7.3 Default by Seller. The Seller shall in no event be in default in the performance of any of its obligations under this Purchase Agreement unless and until the Seller shall have failed to perform such obligation within 30 days or such additional time as is reasonably required to correct any such default after notice by the County to the Seller properly specifying how the Seller has failed to perform any such obligation. No default by the Seller shall relieve the County of its obligations to make the various payments required in this Purchase Agreement, so long as any of the Series 2017 Obligations remain Outstanding; however, the County may exercise any other remedy available at law or in equity to require the Seller to remedy such default so long as such remedy does not interfere with or endanger the payments required to be made to the Trustee under the Indenture.

**ARTICLE 8
MISCELLANEOUS**

Section 8.1 Arizona Law to Govern; Entire Agreement.

(a) This Purchase Agreement shall be governed exclusively by the provisions of this Purchase Agreement and by the laws of the State as the same from time to time exist.

(b) This Purchase Agreement and the Indenture express the entire understanding and all agreements of the parties to this Purchase Agreement with each other and neither party has made or shall be bound by any agreement or by representation to the other party with respect to the matters covered by this Purchase Agreement that is not expressly set forth in this Purchase Agreement or in the Indenture.

Section 8.2 Amendments for Securities and Exchange Commission, Blue Sky and Other Limited Purposes. If it shall ever become necessary to make any amendment to this Purchase Agreement or to the Indenture in order to permit the qualification of the Indenture under the Trust Indenture Act of 1939 or the registration of the Series 2017 Obligations with the Securities and Exchange Commission or the sale of the Series 2017 Obligations in accordance with the “blue sky” laws of any state, the County and the Seller shall agree to such amendments to both this Purchase Agreement and the Indenture as may be necessary or advisable, based on an Opinion of Counsel, to permit such qualification, registration or sale.

Section 8.3 Assignment and Pledge of Seller’s Interest in Purchase Agreement. The Seller assigns, mortgages, hypothecates and pledges to the Trustee all and every part of the right, privilege and interest of the Seller in this Purchase Agreement. The County consents to such assignment, mortgage hypothecation and pledge.

Section 8.4 Recordation and Filing of Instruments. The County shall prepare all documents of every kind and description, make all filings and recordings and shall deliver all Opinions of Counsel to the Seller and to the Trustee required under any provision of the Indenture.

Section 8.5 Right of Seller to Perform County’s Obligations. In the event that the County should fail for any reason to make any payment or perform any obligation under this Purchase Agreement, and such failure shall continue for a period of 30 days after written notice has been given to the County by the Seller or the Trustee specifying such failure and requesting that it be remedied, the Seller, or the Trustee on its behalf, may but shall not be required to make any such payment or to perform any such duty. The amount of such payment and all expenses reasonably incurred by the Seller, or the Trustee on its behalf, in making such payment and performing such duty shall be additional items payable under this Purchase Agreement and shall be paid by the County immediately upon invoices by the Seller or the Trustee with interest at the average rate of interest applicable to the Series 2017 Obligations from the date said payment was due or expenses incurred to the date of payment by the County.

Section 8.6 Notices; Mailing Addresses. All notices, consents or other communications required or permitted under this Purchase Agreement shall be deemed sufficient

if given in writing addressed and mailed by registered or certified mail, delivered, or transmitted by telecopy, telex or other electronic transmission that produces written evidence of its delivery, to the party for which the same is intended, as follows:

To the Seller: The Bank of New York Mellon Trust
Company, N.A.
Suite 500
919 Congress Avenue
Austin, Texas 78701-2153
Attn: Corporate Trust Department

To the County: Pima County, Arizona
6th Floor
130 West Congress
Tucson, Arizona 85701
Attn: Finance Director

To the Trustee: The Bank of New York Mellon Trust
Company, N.A.
Suite 500
919 Congress Avenue
Austin, Texas 78701-2153
Attn: Corporate Trust Department

or to such other address as such party may later designate by notice in writing addressed and mailed or delivered to the other party to this Purchase Agreement.

Section 8.7 Amendments. This Purchase Agreement may only be amended with the express written consent of the Trustee and in accordance with the provisions of Sections 9.4 and 9.5 of the Indenture.

Section 8.8 Severability. If any term or provision of this Purchase Agreement or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Purchase Agreement or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Purchase Agreement shall be valid and be enforced to the fullest extent permitted by law.

Section 8.9 Counterparts. This Purchase Agreement may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all together shall constitute but one Purchase Agreement, and it is also understood and agreed that separate counterparts of this Purchase Agreement may separately be executed by the Seller and the County, all with the same full force and effect as though the same counterpart had been executed by both the Seller and the County.

Section 8.10 Assignment by County. Neither this Purchase Agreement nor any interest of the County in this Purchase Agreement may at any time after the date of this Purchase

Agreement be mortgaged, pledged, assigned or transferred by the County by voluntary act or by operation of law or otherwise. The County shall at all times remain liable for the performance of all of the covenants and conditions on its part to be performed, notwithstanding any such action.

Section 8.11 Interested Parties. Nothing in this Purchase Agreement expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the County, the Seller, the Trustee, the Paying Agent, if any, and the Holders of the Series 2017 Obligations, any right, remedy or claim under or by reason of this Purchase Agreement or any covenant, condition or stipulation of this Purchase Agreement, and all covenants, stipulations, promises and agreements in this Purchase Agreement contained by and on behalf of the County shall be for the sole and exclusive benefit of the County, the Seller, the Trustee, the Paying Agent, if any, and the Holders of the Series 2017 Obligations.

Section 8.12 Certain Statutory Notices.

(a) To the extent applicable by provision of law, the Seller acknowledges that this Purchase Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, the provisions of which are incorporated in this Purchase Agreement and that provides that the County may within three years after its execution cancel any contract (including this Purchase Agreement) 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 or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. The Seller covenants not to employ as an employee, an agent or, with respect to the subject matter of this Purchase Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Purchase Agreement on behalf of the County within three years from the execution of this Purchase Agreement. The County and the Seller represent that, to the best of their knowledge, as of the date of this Purchase Agreement, no basis exists for the County to cancel this Purchase Agreement pursuant to Section 38-511, Arizona Revised Statutes.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, the Seller shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the “e-verify” requirements under Section 23-214(A), Arizona Revised Statutes. The breach by the Seller of the foregoing shall be deemed a material breach of this Purchase Agreement and may result in the termination of the services of the Seller by the County. The County retains the legal right to randomly inspect the papers and records of the Seller to ensure that the Seller is complying with the above-mentioned warranty. The Seller shall keep such papers and records open for random inspection during normal business hours by the County. The Seller 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. The County shall, to the extent not otherwise prohibited by applicable law, preserve the confidentiality of any information, records or papers the County views, accesses or otherwise obtains during any and every such random inspection, including, without limitation, such information.

(c) Pursuant to Section 35-393 et seq., Arizona Revised Statutes, the Seller hereby certifies it is not currently engaged in, and for the duration of this Purchase 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 Seller’s certification above is false or that it has breached such agreement, the County may impose remedies as provided by law.

Section 8.13 Holidays. When any action is provided in this Purchase Agreement to be done on a day named or within a time period named, and the day or the last day of the period falls on a day other than a Business Day, it may be performed on the next ensuing Business Day with effect as though performed on the appointed day or within the specified period.

Section 8.14 Facsimile Instructions. The Seller shall have the right to accept and act upon Instructions given pursuant to this Purchase Agreement by Authorized Officers and delivered using Electronic Means; provided, however, that the County shall provide to the Seller 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 Seller Instructions using Electronic Means and the Seller in its discretion elects to act upon such Instructions, the Seller’s understanding of such Instructions shall be deemed controlling. The County understands and agrees that the Seller cannot determine the identity of the actual sender of such Instructions and that the Seller shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Seller have been sent by such Authorized Officer. The County shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Seller 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 Seller shall not be liable for any losses, costs or expenses arising directly or indirectly from the Seller’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The County agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Seller, including without limitation the risk of the Seller acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Seller and that there may be more secure methods of transmitting Instructions than the method(s) selected by the County; (iii) 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 (iv) to notify the Seller immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 8.15 The Seller. The Seller is the seller of the Series 2017 Property described in this Purchase Agreement solely for purposes of effecting the financing described in this Purchase Agreement and the Indenture, bears no responsibility for the Series 2017 Property and shall in no event be reflected in the chain of title for the Series 2017 Property. The Seller shall

have the same rights, protections, immunities and indemnities under this Purchase Agreement as afforded to the Trustee under the Indenture.

ARTICLE 9 SENIOR LIEN RESOLUTION

The terms and provisions of the Senior Lien Resolution shall control in all respects to the extent the Senior Lien Resolution is inconsistent with this Purchase Agreement, including, but not limited, with respect to definitions; priority of pledge, lien and security for the bonds issued under the Senior Lien Resolution and credit enhancement for such bonds; flow of, and deposit to, funds; covenants regarding the System; defaults and remedies; etc. For purposes of this Purchase Agreement, the County waives its rights to amounts held pursuant to the “System Development Fund” established by the Senior Lien Resolution.

For purposes of the test in Section 4.2, the term “Additional Obligations” shall be defined to include “Outstanding Bonds” as such term is defined in the Senior Lien Resolution. For purposes of the tests in Sections 4.4, 5.3(b) and 5.3(c), the term “Additional Obligations” in the definition of “Parity Lien Test Debt Service” shall also be defined to include Outstanding Bonds.

This Article shall be applicable only until Bonds are no longer “Outstanding” pursuant to the Senior Lien Resolution. The County shall not amend or otherwise modify the Senior Lien Resolution in any manner that adversely affects the rights of the Holders of the Series 2017 Obligations.

[Signature page follows.]

IN WITNESS WHEREOF, the County and the Seller have caused their respective corporate names to be signed to this Purchase Agreement by their respective duly authorized officers, all as of the day and year first above written.

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

By 
Print Name: Deborah M. Scherer
Title: Vice President

PIMA COUNTY, ARIZONA, as Purchaser

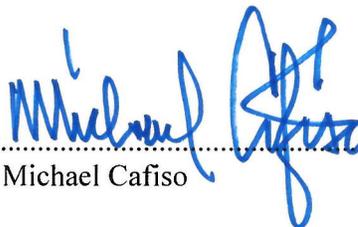
By 
Finance and Risk Management Director

ATTEST:


Clerk, Board of Supervisors

APPROVED AS TO FORM:

GREENBERG TRAURIG, LLP,
Special Counsel

By 
Michael Cafiso

PHX 332032605v3

[SIGNATURE PAGE TO SERIES 2017 PURCHASE AGREEMENT]

ACKNOWLEDGEMENT AND ACCEPTANCE

The Bank of New York Mellon Trust Company, as trustee (the "Trustee") under the Series 2017 Obligation Indenture, dated as of the date of this Purchase Agreement, between the County and the Trustee, has caused its corporate name to be signed to this Purchase Agreement by its duly authorized officer, all as of the day and year first above written, for purposes of acknowledging receipt of this Purchase Agreement and accepting the assignment and pledge of the Seller contained in Section 8.3.

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

By: 
Print Name: Kathleen M. Scherer
Title: Vice President

EXHIBIT A

DESCRIPTION OF SERIES 2017 PROJECTS

The Series 2017 Projects include construction, expansion and improvement of sewer treatment facilities and conveyance systems for the System, including the following:

Program Code	Program Name
CWW.3MRP17	Minor Rehabilitation Projects FY 16/17
CWW.3SEI13	South East Interceptor Augmentation
CWW.3NRI14	North Rillito Interceptor Rehabilitation
CWW.3MRP18	Minor Rehabilitation Projects FY 17/18
CWW.3CRS05	Continental Ranch Pump Station Facility Modifications
CWW.3ASC15	Old Nogales Interceptor Augmentation - New Aerospace Corridor Sewer
CWW.3TRI16	Tres Rios Wastewater Reclamation Facility Existing Infrastructure Upgrades Project
CWW.3SCP06	Sabino Creek Pump Station
CWW.3MR717	Sewer Manhole Rehabilitation #7
CWW.3CDT22	Corona de Tucson Wastewater Treatment Facility UV Disinfection & Filtration
CWW.3TFM13	Tangerine Rd Force Main Relocation
CWW.3II105	ADOT - Ina Rd and I-10 Sewer Modifications
CWW.3GVE14	Green Valley WRF -Future Development Plan
CWW.3EOB16	Emergency Overflow Basin #4 Creation
CWW.322AS5	22nd Street Alvernon Way to Swan Road Augmentation
CWW.3BBUMP	Tres Rios Wastewater Reclamation Facility Nutrient Recovery Project
CWW.3PPS13	Principal Pump Station
CWW.3ICB15	Two Additional Centrifuge Sludge Screens - Tres Rios Wastewater Reclamation Facility
CWW.3AI195	ADOT – W Ajo Way & I-19 Sewer Modifications
CWW.3ASP14	State Prison Pump Station Rehabilitation
CWW.3BWA16	Black Wash Augmentation
CWW.3CDA16	Broadway Blvd. Augmentation – N. Chantilly to N. Craycroft
CWW.3CSU04	Conveyance Scada System Upgrade Richey Rd to Ina Rd
CWW.3FGS17	PC Fairgrounds WRF Connection to Existing Conveyance System
CWW.3LTS14	La Tierra Pump Station Conversion to Gravity Sewer
CWW.3MRP16	Minor Rehabilitation Projects FY 15/16
CWW.3RRP15	Roger Rd Treatment Plant Entry Post-Closure Implement
CWW.3SHT16	Tres Rios Sludge Holding Tank
CWW.SIR14	Ina Rd Existing Plant Scada Upgrades
CWW.3SNI13	Scada WAN Infrastructure Upgrade
CWW.3SR863	ADOT SR86 Valencia Rd to Kinney Rd

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

That The Bank of New York Mellon Trust Company, N.A., a national banking association, authorized to exercise trust powers in the State of Arizona (the "Seller"), for good and valuable consideration received by the Seller from Pima County, Arizona (the "County"), receipt of which is acknowledged, does by these presents grant, bargain, sell and convey (without recourse, representation or warranty) to the County, its successors and assigns, the components of the Series 2017 Projects comprising the Series 2017 Property as defined in Exhibit A to the Series 2017 Purchase Agreement, dated as of February 1, 2017, by and between the Seller and the County, to have and to hold the property as sold to the County and its successors and assigns forever.

IN WITNESS WHEREOF, the Seller has caused this Bill of Sale to be executed this 9th day of February, 2017.

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

By 
Print Name: Deborah M. Scherer
Title: Vice President

SERIES 2017 OBLIGATION INDENTURE

by and between

PIMA COUNTY, ARIZONA,

and

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

Dated as of February 1, 2017

relating to

\$45,000,000
Sewer System Revenue Obligations, Series 2017,
Evidencing Interest of the Holders Thereof in
Installment Payments of the Purchase Price to be Paid by
Pima County, Arizona,
Pursuant to a Series 2017 Purchase Agreement,
Dated as of February 1, 2017

(This Table of Contents is for informational purposes only
and is not to be considered a part of this Indenture.)

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SERIES 2017 OBLIGATION INDENTURE

THIS SERIES 2017 OBLIGATION INDENTURE, made and entered into as of the 1st day of February, 2017 (this "*Indenture*"), by and between PIMA COUNTY, ARIZONA, a political subdivision of the State of Arizona (the "*County*") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, authorized to exercise trust powers in the State of Arizona, as trustee, and any successor to its duties under this Indenture (the "*Trustee*"),

WITNESSETH:

WHEREAS, the Trustee, in its separate capacity as seller (the "*Seller*"), and the County, as purchaser, have entered into a Series 2017 Purchase Agreement, dated as of the date of this Indenture (the "*Purchase Agreement*"), concerning the County's acquisition of the Series 2017 Property (as such term is defined in the Purchase Agreement); and

WHEREAS, for the purpose of obtaining the moneys to acquire the Series 2017 Property, rights of the Seller pursuant to the Purchase Agreement have been assigned and transferred to the Trustee and in consideration of such assignment and the execution of this Indenture, the Trustee shall execute and deliver certain Sewer System Revenue Obligations, Series 2017, Evidencing Interest of the Holders Thereof in Installment Payments of the Purchase Price to be Paid by Pima County, Arizona, Pursuant to a Series 2017 Purchase Agreement, dated as of February 1, 2017 (the "*Series 2017 Obligations*"), each evidencing a proportionate interest in certain rights pursuant to the Purchase Agreement, including the right to receive payment of the Purchase Price (as such term is defined in the Purchase Agreement);

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE FURTHER WITNESSETH: That in order to secure all of the Series 2017 Obligations executed and delivered pursuant to this Indenture, the payment of principal and interest thereon, the rights of the Holders (as such term is defined below) of the Series 2017 Obligations and the performance and observance of the covenants and conditions contained in this Indenture and in the Series 2017 Obligations and the Purchase Agreement, the Trustee shall receive as security for the Holders of the Series 2017 Obligations, and there shall be granted a security interest in and released, assigned, transferred, pledged, mortgaged, granted and conveyed unto the Trustee or any successor to its duties under this Indenture, the following described property:

A. All rights and interests of the Seller in, under and pursuant to the Purchase Agreement as assigned, mortgaged, hypothecated and pledged pursuant to the Purchase Agreement, provided that the assignment made by this clause shall not include any right to limitation of liability, indemnification of liability, Seller's rights of approval or consent thereunder or payment or reimbursement of fees, costs or expenses,

B. Amounts on deposit from time to time in the funds and accounts created pursuant to this Indenture subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture and

C. Any and all other real or personal property of any kind from time to time after execution of this Indenture by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security under this Indenture for the Series 2017 Obligations, by the County or by anyone on its behalf or with its written consent, in favor of the Trustee, which is authorized by this Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of this Indenture,

TO HAVE AND TO HOLD all said properties assigned, mortgaged, hypothecated and pledged and conveyed by the Seller, including all additional property that by the terms of this Indenture has or may become subject to the encumbrance of this Indenture, unto the Trustee and its successors in trust and its assigns forever, subject, however, to the rights reserved under this Indenture,

IN TRUST NEVERTHELESS, for the benefit and security of the Holder from time to time of the Series 2017 Obligation executed and delivered and Outstanding (as such term is defined below) under this Indenture; and conditioned, however, that if all liabilities, obligations and sums at any time secured by this Indenture shall be well and truly paid, or caused to be paid fully and promptly when due, and all of the covenants, warranties and agreements contained in this Indenture shall promptly, faithfully and strictly be kept, performed and observed, then and in such event, this Indenture shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trust and subject to the covenants and conditions set forth in this Indenture.

ARTICLE 1
DEFINITIONS AND OTHER PROVISIONS
OF GENERAL APPLICATION

Section 1.1 Definitions. Unless the context otherwise requires, the following words and phrases when used in this Indenture will have the following meanings:

“*Authorized Officers*” means officers of the County with the authority to provide Instructions as listed in an incumbency certificate containing specimen signatures of such officers, which certificate shall be amended by the County whenever a person is to be added or deleted from the listing.

“*Board*” means the Board of Supervisors of the County.

“*Business Day*” means any day other than (a) a Saturday or Sunday, (b) a day on which banks located in the City of Tucson and in the city or cities in which the corporate trust office of the Trustee and the Paying Agents are required or authorized by law or executive order to remain closed, and (c) a day on which the County is required or authorized by law or executive order to remain closed.

“Code” means the Internal Revenue Code of 1986, as amended, and any successor provisions thereto.

“County Representative” means the Finance Director or any other person at any time designated, by written certificate furnished to the Trustee containing the specimen signature of such person and signed by the County Administrator or his or her designee, to act on behalf of the County with respect to this Indenture and the Series 2017 Obligations. Such certificate may designate one or more alternates.

“Debt Service Reserve Account” means the account of the Obligation Fund of that name created pursuant to Section 5.1.

“Defeasance Obligations” means any of the following: (1) cash, (2) non-callable direct obligations of the United States of America (“Treasuries”), (3) evidences of ownership of proportionate interest in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated “AAA” and “Aa” by S&P and Moody’s, respectively, or (5) securities eligible for “AAA” defeasance under then existing criteria of S&P or any combination thereof.

“Delivery Costs” means costs and expenses relating to the sale, credit enhancement and execution and delivery of the Series 2017 Obligations, including, but not limited to “out of pocket” expenses and charges, fees and disbursements of counsel, printing expenses and other expenses reasonably incurred by the County and the Trustee in connection with this Indenture and the Purchase Agreement.

“Delivery Costs Fund” means the fund of that name created pursuant to Section 5.1.

“Depository Trustee” means any financial institution meeting the requirements as a successor Trustee under Section 8.6 that may be designated by the County.

“Electronic Means” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder and under the Purchase Agreement.

“Fitch” shall mean Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency for the type of credit in question, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the County by written notice to the Trustee.

“Finance Director” means the chief financial officer of the County.

“*Holder*” means the registered owner of the Series 2017 Obligation from time to time.

“*Improvements Fund*” means the fund of that name created pursuant to Section 2.2 of the Purchase Agreement.

“*Indenture Event of Default*” means any one of those events set forth in Section 7.1.

“*Instructions*” means instructions, including funds transfer instructions.

“*Interest Account*” means the account of the Obligation Fund of that name created pursuant to Section 5.1.

“*Moody’s*” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency for the type of credit in question, “*Moody’s*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the County by written notice to the Trustee.

“*Obligation Fund*” means the fund of that name created pursuant to Section 5.1.

“*Obligation Payment Date*” means each January 1 and July 1, commencing July 1, 2017, so long as the Series 2017 Obligation is Outstanding.

“*Opinion of Counsel*” means a written opinion of an attorney or firm of attorneys acceptable to the Trustee and who or which (except as otherwise expressly provided in this Indenture or in the Purchase Agreement) may be counsel for the County or the Trustee, provided that such attorney or firm of attorneys may not be an employee of the Trustee.

“*Outstanding*” when used with reference to the Series 2017 Obligations means, as of any date of determination, all Series 2017 Obligations previously executed and delivered except:

- (i) Series 2017 Obligations previously cancelled by the Trustee or delivered to the Trustee for cancellation
- (ii) Series 2017 Obligations that are deemed paid and no longer Outstanding as provided in this Indenture, including as a result of irrevocable instructions being provided by the County for redemption thereof; and
- (ii) Series 2017 Obligations in lieu of which other Series 2017 Obligations have been executed and delivered pursuant to the provisions of this Indenture relating to Series 2017 Obligations destroyed, stolen or lost, unless evidence satisfactory to the Trustee has been received that any such Series 2017 Obligation is held by a bona fide purchaser.

“*Paying Agent*” means the banks or trust companies and their successors from time to time designated by the County as the paying agencies or places of payment for the Series 2017 Obligations. The Trustee is designated as the initial Paying Agent for the Series 2017 Obligations.

“Permitted Investments” means, to the extent the use of which is not otherwise prohibited by applicable law:

1.
 - A. Cash;
 - B. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – (SLGs));
 - C. Direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury itself;
 - D. Resolution Funding Corp. (“REFCORP”) but only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable;
 - E. Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P but if, however, the issue is only rated by S&P (i.e., there is no Moody’s rating) then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition and
 - F. Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:
 - (i) *U.S. Export-Import Bank (Eximbank)*
-Direct obligations or fully guaranteed certificates of beneficial ownership,
 - (ii) *Farmers Home Administration (FmHA)*,
 - (iii) *Federal Financing Bank*,
 - (iv) *General Services Administration*
-Participation Certificates,
 - (v) *U.S. Maritime Administration*
-Guaranteed Title XI financing and
 - (vi) *U.S. Department of Housing and Urban Development (HUD)*
-Project Notes
-Local Authority Bonds
-New Communities Debentures – U.S. government guaranteed debentures
-U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds;
2. Federal Housing Administration debentures;

3. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):
 - A. *Federal Home Loan Mortgage Corporation* (FHLMC or “Freddie Mac”)
 - Participation Certificates (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
 - Senior debt obligations
 - B. *Farm Credit Banks* (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
 - Consolidated system-wide bonds and notes
 - C. *Federal Home Loan Banks* (FHL Banks)
 - Consolidated debt obligations
 - D. *Federal National Mortgage Association* (FNMA or “Fannie Mae”)
 - Senior debt obligations
 - Mortgage-backed securities (excluded are stripped mortgage securities that are purchased at prices exceeding the portion of their unpaid principal amounts)
 - E. *Financing Corporation* (FICO)
 - Debt obligations
 - F. *Resolution Funding Corp.* (REFCORP)
 - Debt obligations
4. Bank deposit products, unsecured certificates of deposit, time deposits, and bankers’ acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated “A-1” or better by S&P or the highest rating category of Moody’s or are fully insured by the Federal Deposit Insurance Corporation (FDIC).
5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks that have capital and surplus of at least \$5 million.
6. Commercial paper (having original maturities of not more than 270 days) rated “A-1+” by S&P and “Prime-1” by Moody’s.
7. Money market mutual funds rated “AAM” or “AAM-G” or higher by S&P or having a rating in the highest investment category granted thereby from Moody’s, including those for which the Trustee or an affiliate receives and retains a fee for

services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise.

8. “State Obligations”, which means:
 - A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated “A3” by Moody’s and “A” by S&P, or higher, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.
 - B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated “A-1+” by S&P and “MIG-1” by Moody’s.
 - C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated “AA” or better by S&P and “Aa” or better by Moody’s.
9. Pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody’s meeting the following requirements:
 - A. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;
 - B. the municipal obligations are secured by cash or United States Treasury Obligations that may be applied only to payment of the principal of, interest and premium on such municipal obligations;
 - C. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“*Verification*”);
 - D. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;
 - E. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new *Verification*; and

- F. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.
10. Repurchase or reverse repurchase agreements: With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “A” by S&P and Moody’s; or (2) any broker-dealer with “retail customers” or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A” by S&P and Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated “A” or better by S&P and Moody’s, provided that:
- A. The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody’s to maintain an “A” rating in an “A” rated structured financing (with a market value approach);
 - B. The Trustee or a third party acting solely as agent therefor (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);
 - C. The repurchase or reverse repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);
 - D. All other requirements of S&P in respect of repurchase or reverse repurchase agreements shall be met;
 - E. The repurchase or reverse repurchase agreement shall provide that if during its term the provider’s rating by either Moody’s or S&P is withdrawn or suspended or falls below “A-” by S&P or “A3” by Moody’s, as appropriate, the provider must, at the direction of the County or the Trustee (acting at the direction of the County), within ten days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the County or Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (A) above, so long as such collateral levels are 103 percent or better and the provider is rated at least “A” by S&P and Moody’s, respectively.

11. Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in

the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least “AA” by S&P and “Aa2” by Moody’s; provided that, by the terms of the investment agreement:

- A. interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Series 2017 Obligations;
- B. the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days’ prior notice; the Trustee thereby agrees to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;
- C. the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;
- D. the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Trustee) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable);
- E. the investment agreement shall provide that if during its term:
 - (i) the provider’s rating by either S&P or Moody’s falls below “AA-” or “Aa3”, respectively, the provider shall, at its option, within ten days of receipt of publication of such downgrade, either (a) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider’s books) to the Trustee or a third party acting solely as agent therefor (the “Holder of the Collateral”) collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody’s to maintain an “A” rating in an “A” rated structured financing (with a market value approach); or (b) repay the principal of and accrued but unpaid interest on the investment; and
 - (ii) the provider’s rating by either S&P or Moody’s is withdrawn or suspended or falls below “A-” or “A3”, respectively, the provider must, at the direction of the Trustee, within ten days of receipt of

such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Trustee, and

- F. the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);
- G. the investment agreement must provide that if during its term:
 - (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Trustee, be accelerated and amounts invested and accrued but unpaid with interest thereon shall be repaid to the Trustee, and
 - (ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("*event of insolvency*"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid with interest thereon shall be repaid to the Trustee, as appropriate.

12. Interests in the Local Government Investment Pool established pursuant to Arizona Revised Statutes Section 35-326.

"*Person*" includes an individual, an unincorporated association, a corporation, a partnership, a government agency or a political subdivision.

"*Principal Account*" means the account of the Obligation Fund of that name created pursuant to Section 5.1.

"*Principal Installment*" means, for any particular date, the aggregate of the principal amount of Series 2017 Obligations that is due on such date.

"*Purchaser*" means Compass Mortgage Corporation, an Alabama corporation, together with its successors and assigns.

"*Qualified Reserve Fund Instrument*" means a letter or line of credit, insurance policy or surety bond that meets the requirements set forth below:

- (i) A surety bond or insurance policy issued to the Trustee by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Series 2017 Obligations (a "*municipal bond insurer*") may be deposited in the Debt

Service Reserve Account to meet the amount that should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Purchase Agreement if the claims paying ability of the issuer thereof shall be rated “AA” or “Aa2” by S&P or Moody’s, respectively.

(ii) A surety bond or insurance policy issued to the Trustee, as agent of the Holders of the Series 2017 Obligations, by an entity other than a municipal bond insurer may be deposited in the Debt Service Reserve Account to meet the amount that should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Purchase Agreement if the form and substance of such instrument and the issuer thereof shall be approved by the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is then in good standing and the applicable provider thereof is not in default thereunder.

(iii) An unconditional irrevocable letter of credit issued to the Trustee, as agent of the Holders of the Series 2017 Obligations, by a bank may be deposited in the Debt Service Reserve Account to meet the amount that should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Purchase Agreement if the issuer thereof is rated at least “AA” by S&P. The letter of credit shall be payable in one or more draws upon presentation by the beneficiary of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the Series 2017 Obligations. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be required to notify the County and the Trustee, not later than 24 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.

If such notice indicates that the expiration date shall not be extended, the County shall deposit in the Debt Service Reserve Account an amount sufficient to cause the cash or Permitted Investments on deposit in the Debt Service Reserve Account together with any other qualifying Qualified Reserve Fund Instruments, to equal the amount that should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Purchase Agreement, such deposit to be paid in equal installments on at least a semiannual basis over the ensuing three years, unless the Qualified Reserve Fund Instrument is replaced by a Qualified Reserve Fund Instrument meeting the requirements in any of (i)-(iii) above. The letter of credit shall permit a draw in full not less than 14 days prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The Trustee is authorized by this Indenture and directed to draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Debt Service Reserve Account is fully funded in its required amount.

The deposit of any Qualified Reserve Fund Instrument pursuant to this paragraph (iii) shall be subject to receipt of an opinion of counsel acceptable to the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve

Fund Instrument is in good standing and the applicable provider thereof is not in default thereunder and in form and substance satisfactory to the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is in good standing and the applicable provider thereof is not in default thereunder as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of such credit instrument is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is in good standing and the applicable provider thereof is not in default thereunder. In addition, the use of an irrevocable letter of credit shall be subject to receipt of an opinion of counsel acceptable to the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is in good standing and the applicable provider thereof is not in default thereunder and in form and substance satisfactory to the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is in good standing and the applicable provider thereof is not in default thereunder to the effect that payments under such letter of credit would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against the issuer of the Series 2017 Obligations (or any other account party under the letter of credit).

The obligation to reimburse the issuer of a Qualified Reserve Fund Instrument for any fees, expenses, claims or draws upon such Qualified Reserve Fund Instrument shall be subordinate to the payment of debt service on the Series 2017 Obligations. The right of the issuer of a Qualified Reserve Fund Instrument to payment or reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Debt Service Reserve Account, and subject to the second succeeding sentence, its right to reimbursement for claims or draws shall be on a parity with the cash replenishment of the Debt Service Reserve Account. The Qualified Reserve Fund Instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Qualified Reserve Fund Instrument to reimbursement will be further subordinated to cash replenishment of the Debt Service Reserve Account to an amount equal to the difference between the full original amount available under the Qualified Reserve Fund Instrument and the amount then available for further draws or claims. If (A) the issuer of a Qualified Reserve Fund Instrument becomes insolvent or (B) the issuer of a Qualified Reserve Fund Instrument defaults in its payment obligations thereunder or (C) the claims-paying ability of the issuer of the insurance policy or surety bond falls below a S&P "AA" or a Moody's "Aa2" or (D) the rating of the issuer of the letter of credit falls below a S&P "AA," the obligation to reimburse the issuer of the Qualified Reserve Fund Instrument shall be subordinate to the cash replenishment of the Debt Service Reserve Account.

(iv) If (A) the revolving reinstatement feature described in the preceding paragraph is suspended or terminated or (B) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below a S&P “AA” or a Moody’s “Aa2” or (C) the rating of the issuer of the letter of credit falls below a S&P “AA”, the County shall either (1) deposit into the Debt Service Reserve Account an amount sufficient to cause the cash or Permitted Investments on deposit in the Debt Service Reserve Account to equal the amount that should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Purchase Agreement, such amount to be paid over the ensuing three years in equal installments deposited at least semiannually or (2) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of (i)-(iii) above within six months of such occurrence. In the event (a) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below “A” or (b) the rating of the issuer of the letter of credit falls below “A” or (c) the issuer of the Qualified Reserve Fund Instrument defaults in its payment obligations or (d) the issuer of the Qualified Reserve Fund Instrument becomes insolvent, the County shall either (i) deposit into the Debt Service Reserve Account an amount sufficient to cause the cash or Permitted Investments on deposit in the Debt Service Reserve Account to equal the amount that should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Purchase Agreement, such amount to be paid over three years in equal installments on at least a semiannual basis or (ii) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements above, as applicable, within six months of such occurrence.

(v) Where applicable, the amount available for draws or claims under the Qualified Reserve Fund Instrument may be reduced by the amount of cash or Permitted Investments deposited in the Debt Service Reserve Account pursuant to clause (d)(i) of the preceding subparagraph (iv).

(vi) Any amounts owed by the County to the issuer of such credit instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of debt service requirements required to be made pursuant to the Purchase Agreement for any purpose, *e.g.*, Sections 4.2 and 4.4 of the Purchase Agreement.

(vii) The Trustee shall ascertain the necessity for a claim or draw upon the Qualified Reserve Fund Instrument and provide notice to the issuer of the Qualified Reserve Fund Instrument in accordance with its terms not later than three days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the Qualified Reserve Fund Instrument) prior to each Obligation Payment Date.

(viii) Cash on deposit in the Debt Service Reserve Account shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Qualified Reserve Fund Instrument. If and to the extent that more than one Qualified Reserve Fund Instrument is deposited in the Debt Service Reserve Account, drawings thereunder and repayments of costs associated

therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

(ix) A Qualified Reserve Fund Instrument may not be provided to replace existing cash or Permitted Investments unless the County obtains, and provides to the Trustee, a Special Counsel's Opinion to the effect that such action will not cause the interest on any Series 2017 Obligations to become includible in gross income for purposes of federal income taxes.

"*Rating Agency*" shall mean Fitch, Moody's or S&P, or any of them or their replacements as provided in the definition of each.

"*Record Date*" means (i) with respect to any Obligation Payment Date occurring on the first calendar day of any month, the 15th day of the calendar month next preceding that Obligation Payment Date (regardless of whether such 15th day is a Business Day) or (ii) such other date as may be designated pursuant to Section 2.2(c).

"*Reserve Requirement*" means \$1,961,789.00.

"*S&P*" means Standard & Poor's Financial Services LLC, its successors and assigns, and, if such limited liability company shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency for the type of credit in question, "*S&P*" shall be deemed to refer to any other nationally recognized securities rating agency designated by the County by written notice to the Trustee.

"*Special Counsel*" means an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the County.

"*Special Counsel's Opinion*" means an opinion signed by Special Counsel.

"*State*" means the State of Arizona.

Section 1.2 Interpretation.

(a) Any reference in this Indenture to the Board or any officer of the County shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(b) 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.

(c) Headings of articles and sections in this Indenture and the table of contents of this Indenture are solely for convenience of reference, do not constitute a part of this Indenture and shall not affect the meaning, construction or effect hereof. References to "Articles" and "Sections" are to those in this Indenture, unless otherwise specified.

Section 1.3 Series 2017 Obligations. The Series 2017 Obligations shall be payable solely out of the revenues and other security pledged by this Indenture and shall not constitute an indebtedness or general obligation of the County within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the County or be a charge against its general credit or a charge against the general credit or the taxing powers of the State or any political subdivision thereof.

ARTICLE 2 AUTHORIZATION AND TERMS OF SERIES 2017 OBLIGATIONS

Section 2.1 Authorization of Series 2017 Obligations. The Trustee is authorized and directed by this Indenture, upon receipt of a request in writing from the County Representative, to prepare, execute and deliver \$45,000,000 aggregate original principal amount of Series 2017 Obligations to the Purchaser in the form of a single Series 2017 Obligation in physically certificated, registered form in such principal amount. In no event shall the Series 2017 Obligations be deemed a debt or liability of the Trustee.

Section 2.2 Form, Date and Payment Terms of Series 2017 Obligations.

(a) The Series 2017 Obligations shall mature on July 1, 2031, be dated the date of their initial execution and delivery, be executed and delivered in denominations of the principal amount thereof Outstanding from time to time, and bear interest from the most recent Obligation Payment Date to which interest has been paid or for which due provision has been made or, if no interest has been paid, from the date of their initial execution and delivery. Said interest shall be computed by multiplying the remaining unpaid principal with respect to the Series 2017 Obligations (whether paid as a result of mandatory redemption or maturity) by two and seventy-seven hundredths percent (2.77%) (on the basis of a 360-day year of twelve 30-day months) and shall represent the portion of each installment of the Purchase Price designated as interest and coming due during the six-month period preceding each Obligation Payment Date paid pursuant to Section 5.4(i); provided that the first installment shall be for interest from the date of initial execution and delivery of the Series 2017 Obligations to, but not including, July 1, 2017. The proportionate share of the portion of each installment of the Purchase Price designated as interest with respect to any Series 2017 Obligation shall be computed by multiplying the portion of each installment of the Purchase Price designated as principal with respect to such Series 2017 Obligation by the rate of interest applicable to such Series 2017 Obligation (on the basis of a 360-day year of twelve 30-day months).

(b) The Series 2017 Obligations shall be initially numbered R-1 and delivered to, and registered in the name of, the Purchaser.

(c) Interest on each Series 2017 Obligation shall be payable when due to the Holder in whose name such Series 2017 Obligation is registered at the close of business on the Record Date with respect to each Obligation Payment Date, irrespective of any transfer of such Series 2017 Obligation subsequent to such Record Date and prior to such Obligation Payment Date, unless there is a default in the payment of interest due on such Obligation Payment Date. In the event of any such default, such defaulted interest shall be payable to the Holder in whose

name such Series 2017 Obligation is registered at the close of business on a special Record Date for the payment of such defaulted interest established by notice mailed by the Trustee to the Holder of the Series 2017 Obligation not less than 15 days preceding such special Record Date. Such notice shall be mailed to the Holder in whose name the Series 2017 Obligation is registered at the close of business on the fifth day preceding the date of mailing. If the Trustee registers the transfer of any Series 2017 Obligation subsequent to the mailing of such notice and on or before the special Record Date, any such notice of payment of defaulted interest shall be binding upon the transferee and a copy of the notice of payment of defaulted interest shall be delivered by the Trustee to the transferee(s) along with the Series 2017 Obligation(s).

(d) Principal of and redemption premium, if any, and interest on each Series 2017 Obligation shall be payable when due in any coin or currency of the United States of America that is legal tender for the payment of public and private debts. Payment of principal of and redemption premium, if any, and interest on the Series 2017 Obligations (except the principal of and interest and redemption premium, if any, on the Series 2017 Obligations due at maturity or upon redemption in full) shall be made by wire transfer of immediately available funds to an account located in a bank within the United States pursuant to wire transfer directions issued by the Holder (which direction shall remain effective until such Holder countermands such written direction in writing). The principal of and interest and redemption premium, if any, on the Series 2017 Obligation due at maturity or upon redemption in full shall be payable at the designated corporate trust office of the Trustee upon surrender of the Series 2017 Obligation on or after the maturity or redemption date.

(e) Any payment due on any Series 2017 Obligation that is not paid when due shall bear interest at a rate equal to the rate of interest borne on such Series 2017 Obligation, from the date such payment is due until the payment is made. Such interest shall be calculated based upon an assumption of a 360-day year of twelve 30-day months, with such interest compounded semiannually.

Section 2.3 Mutilated, Destroyed, Lost and Stolen Series 2017 Obligations. If (a) any mutilated Series 2017 Obligation is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Series 2017 Obligation, and (b) there is delivered to the Trustee such security or indemnity as the Trustee may require to hold the Trustee harmless, then, in the absence of notice to the Trustee that such Series 2017 Obligation has been acquired by a bona fide purchaser and upon the Holder paying the reasonable expenses of the Trustee and of any security or indemnity obligation required by the Trustee, the Trustee shall execute and deliver, in exchange for such mutilated Series 2017 Obligation or in lieu of such destroyed, lost or stolen Series 2017 Obligation, a new Series 2017 Obligation in the remaining unpaid principal amount. If any such mutilated, destroyed, lost or stolen Series 2017 Obligation has become, or will on or before the next Obligation Payment Date become, due and payable, the Trustee may, in its discretion, pay such Series 2017 Obligation when due instead of delivering a new Series 2017 Obligation.

Section 2.4 Execution of Series 2017 Obligations. All Series 2017 Obligations shall be executed by and in the name of the Trustee by manual signature of an individual who, as of the actual date of execution, is an authorized representative of the Trustee. If any authorized

representative of the Trustee whose signature appears on any Series 2017 Obligation ceases to be an authorized representative of the Trustee before the date of initial execution and delivery of the Series 2017 Obligations, or was not an authorized representative on the nominal date of the Series 2017 Obligations, such signature shall nevertheless be effective.

Section 2.5 Registration and Transfer of Series 2017 Obligations.

(a) All Series 2017 Obligations executed and delivered under this Indenture shall be negotiable, subject to the provisions for registration and transfer thereof contained in this Indenture or in the Series 2017 Obligations.

(b) So long as the Series 2017 Obligations are Outstanding, the Trustee shall maintain at its offices books for the registration and transfer of Series 2017 Obligations and shall provide for the registration and transfer of any Series 2017 Obligation under such reasonable regulations as the Trustee may prescribe. The Trustee shall act as registrar for purposes of registering Series 2017 Obligations in accordance with the provisions of this Indenture.

(c) Each Series 2017 Obligation shall be transferable only upon the registration books maintained by the Trustee, by the Holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of any Series 2017 Obligation, the Trustee shall authenticate and deliver, in the name of the transferee, a new Series 2017 Obligation, of the remaining aggregate principal amount of the Series 2017 Obligation.

(d) All Series 2017 Obligations surrendered in any transfer of Series 2017 Obligations shall forthwith be cancelled by the Trustee.

(e) In connection with any such transfer of Series 2017 Obligations the Holder requesting such transfer shall as a condition precedent to the exercise of the privilege of making such transfer remit to the Trustee an amount sufficient to pay any tax or other governmental charge required to be paid with respect to such transfer.

(f) The Purchaser may at any time sell or otherwise transfer the Series 2017 Obligations, in whole, to (i) an affiliate of the Purchaser or (ii) a trust or other custodial arrangement established by the Purchaser or an affiliate of the Purchaser, the owners of any beneficial interest in which are limited to “Qualified Institutional Buyers” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (each, a “Bank Transferee”). From and after the date of such sale or transfer, if the Trustee is provided with written directions from the Bank Transferee appointing the Purchaser as the Bank Transferee’s agent, the Purchaser (and its successors) shall continue to have all of the rights of the Purchaser as if no such transfer or sale had occurred; provided, however, that (A) no such sale or transfer referred to in clause (i) or (ii) of this subsection shall in any way affect the obligations of the Purchaser hereunder, (B) the County and the Trustee shall be required to deal only with the Purchaser with respect to matters relating to the Purchaser of the Series 2017 Obligations and (C) in the case of a sale or transfer referred to in clause (i) or (ii) of this subsection, only the Purchaser shall be entitled to enforce rights and remedies as contemplated in Article 7. To the extent the Trustee receives such

written directions from the Bank Transferee the Trustee shall be fully protected in relying on the directions it receives from the Purchaser. In addition to the foregoing, the Purchaser may at any time sell or otherwise transfer to a transferee which is not a Bank Transferee but which constitutes a Qualified Institutional Buyer that is a commercial bank having a combined capital and surplus, determined as of the date of any transfer pursuant to this subsection, of not less than \$5,000,000,000 (a “Non-Bank Transferee”) the Series 2017 Obligations, in whole, if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non-Bank Transferee, together with addresses and related information with respect to the Non-Bank Transferee, shall have been given to the Trustee by such selling Purchaser and Non-Bank Transferee, and (B) the Non-Bank Transferee shall have delivered to the Trustee and the selling Purchaser an investment letter in substantially the form delivered by the Purchaser in connection with the original execution and delivery of the Series 2017 Obligations. The Trustee has no duty or obligation to determine whether or not a transferee is a Bank Transferee or a Non-Bank Transferee or that any transferee meets the requirements set forth herein. The Trustee’s sole responsibility in connection with any transferee which presents an investment letter to the Trustee is to confirm that any such investment letter is in the form delivered by the Purchaser in connection with the original execution and delivery of the Series 2017 Obligations; provided, however, the Trustee shall only be obligated to confirm that such investment letter meets such requirement if the County provides the Trustee with such original investment letter.

Section 2.6 Persons Deemed Owners. The Person in whose name any Series 2017 Obligation shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal of and interest or any applicable premium on any Series 2017 Obligation shall be made only to or upon the written order of the registered Holder thereof (subject to provisions in this Indenture regarding the Record Date). Such payment shall be valid and effectual to satisfy and discharge the liability upon such Series 2017 Obligation to the extent of the amount so paid.

Section 2.7 Non-Presentation of Series 2017 Obligations. In the event the Series 2017 Obligation shall not be presented for payment, either at maturity or upon redemption in full, if moneys sufficient to pay the principal of and premium, if any, and interest on, such Series 2017 Obligation shall have been deposited under this Indenture for such payment, all liability to the Holder thereof for the payment of such Series 2017 Obligation shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys as provided in this Indenture, including specifically Section 10.3, without liability for interest thereon, for the benefit of the Holder of such Series 2017 Obligation, who shall thereafter be restricted exclusively to such moneys, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Series 2017 Obligation. Provided, however, nothing in this Section 2.7 shall require the Purchaser to surrender the Series 2017 Obligations for principal payments made pursuant to Section 3.2(b).

Section 2.8 Destruction of Series 2017 Obligations. Upon payment of or surrender to the Trustee for cancellation of any Series 2017 Obligation, the Trustee shall destroy such Series 2017 Obligation.

ARTICLE 3
REDEMPTION OF SERIES 2017 OBLIGATIONS

Section 3.1 Right to Redeem. The Series 2017 Obligations shall be subject to redemption prior to maturity as directed by the County, at such times, to the extent and in the manner provided in this Indenture.

Section 3.2 Redemption of Series 2017 Obligations.

(a) The Series 2017 Obligations are subject to redemption, in whole or in part on any date on or after February 15, 2027, in any principal amount and in any order of maturity, all as directed by the County, by payment of the principal amount to be redeemed plus interest accrued to the date fixed for redemption, without premium.

(b) The Series 2017 Obligations, shall be redeemed on July 1 in the years and in the principal amounts set forth below, at a redemption price equal to the principal amount thereof, without premium, plus the interest accrued to the date of redemption:

<u>Year</u>	<u>Principal Amount</u>
2018	\$2,675,000
2019	2,750,000
2020	2,825,000
2021	2,905,000
2022	2,985,000
2023	3,065,000
2024	3,150,000
2025	3,240,000
2026	3,330,000
2027	3,420,000
2028	3,515,000
2029	3,615,000
2030	3,710,000
2031 (maturity)	3,815,000

Section 3.3 [Reserved to Preserve Section Numbering].

Section 3.4 [Reserved to Preserve Section Numbering].

Section 3.5 Effect of Call for Redemption. On the date designated for redemption by notice given as provided in this Indenture, the portion of the Series 2017 Obligations called for redemption shall become and be due and payable at the redemption price of such Series 2017 Obligations on such date. If on the date fixed for redemption moneys or Defeasance Obligations

sufficient for payment of the redemption price and accrued interest on such date are held by the Trustee as provided in this Indenture, interest on the portion of the Series 2017 Obligations called for redemption shall cease to accrue, such portions of the Series 2017 Obligations shall cease to be entitled to any benefit or security under this Indenture except the right to receive payment from the moneys or Defeasance Obligations held by the Trustee and the amount of such Series 2017 Obligations called for redemption shall be deemed paid and no longer Outstanding. Presentation of the Series 2017 Obligations shall not be required upon redemption for the foregoing to be effective. Whenever Series 2017 Obligations are purchased, redeemed (other than because of mandatory redemption) or delivered for cancellation, the principal amount represented thereby so retired shall satisfy and be credited against the mandatory prepayment requirements therefor in any order specified by the County.

Section 3.6 Notice of Redemption.

(a) Whenever redemption of Series 2017 Obligations is to be made pursuant to Section 3.2(a), the Trustee shall give notice of the redemption of the Series 2017 Obligation, which notice shall specify the redemption date and the redemption price, and, in the case the Series 2017 Obligations are to be redeemed in part only, such notice shall also specify the portion of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon the portion of the Series 2017 Obligation to be redeemed the redemption price thereof, as appropriate, of the specified portion thereof, together with interest accrued to the redemption date on such portion thereof so to be redeemed and that, from and after such date, the portion of the Series 2017 Obligations being redeemed will cease to accrue interest. Notwithstanding the foregoing, no notice of redemption shall be sent unless (i) the Trustee has on deposit sufficient funds to effect such redemption or (ii) the redemption notice states that redemption is contingent upon receipt of such funds prior to the redemption date.

(b) Such notice shall be given by mailing a copy of such notice, first class United States mail postage prepaid, not less than 30 days nor more than 60 days before the redemption date, to (i) the Holder at its last address appearing upon the registry books and (ii) to the Treasurer of the County.

**ARTICLE 4
FORM OF SERIES 2017 OBLIGATIONS**

The Series 2017 Obligations shall be substantially in the form set forth in Exhibit A to this Indenture with such omissions, insertions and variations as are consistent with the provisions of this Indenture.

**ARTICLE 5
REVENUES AND FUNDS**

Section 5.1 Creation of Funds and Accounts. The Trustee shall create (a) the Obligation Fund, which shall contain the following accounts: (i) the Interest Account, (ii) the Principal Account, and (iii) the Debt Service Reserve Account, and (b) the Delivery Costs Fund.

Such funds and accounts shall be held in trust for the benefit of the Holder, as its interests may appear.

Section 5.2 Application of Series 2017 Obligation Proceeds. The Trustee shall receive (i) \$45,000,000.00, being the proceeds of the sale of the Series 2017 Obligations and (ii) \$1,961,789.00, being other legally available moneys of the County. The Trustee shall (i) deposit the other legally available moneys of the County in an amount equal to the Reserve Requirement into the Debt Service Reserve Account, (ii) deposit proceeds of sale of the Series 2017 Obligations in an amount equal to \$322,430.00 to the Delivery Costs Fund, and (iii) transfer the balance of the proceeds of sale of the Series 2017 Obligations to the County for deposit to the Improvements Fund.

Section 5.3 Flow of Funds Into the Obligation Fund. The following payments to the Trustee shall be applied in the following manner:

(i) The Trustee shall deposit to the Interest Account amounts paid pursuant to Section 3.3(b)(ii) of the Purchase Agreement. (Amounts transferred pursuant to Section 2.2(d) of the Purchase Agreement and Section 5.4(iii)(B) of this Indenture shall also be deposited into the Interest Account.)

(ii) The Trustee shall deposit to the Principal Account amounts paid pursuant to Section 3.3(b)(iii) of the Purchase Agreement as well as the total of any amounts received for any redemption of Series 2017 Obligations. (Amounts transferred pursuant to Section 2.2(d) of the Purchase Agreement and Section 5.4(iii)(B) of this Indenture shall also be deposited in the Principal Account.)

(iii) The Trustee shall deposit to the Debt Service Reserve Account amounts paid pursuant to Section 3.3(b)(iv) of the Purchase Agreement. No deposit need be made into the Debt Service Reserve Account if the amount on deposit therein plus the maximum amount of the Qualified Reserve Fund Instruments contained therein equals the Reserve Requirement.

Section 5.4 Flow of Funds Out of the Obligation Fund. Amounts in the following accounts shall be applied in the following manner:

(i) Amounts in the Interest Account shall be used to pay interest on the Series 2017 Obligations as it becomes due.

(ii) Amounts in the Principal Account shall be used to retire Series 2017 Obligations by payment on their scheduled maturity date, mandatory redemption date or optional redemption date.

(iii) (A) Amounts in the Debt Service Reserve Account shall be used to pay the interest on, or to retire at their scheduled maturity or mandatory redemption date, the Series 2017 Obligations in the event that no other money of the County is available therefor or for the retirement (including by defeasance pursuant to Section 10.2) of the Series 2017 Obligations. If and to the extent that

money has been deposited in the Debt Service Reserve Account, all such money shall be used (or investments purchased with such money shall be liquidated and the proceeds applied as required) prior to any drawing under a Qualified Reserve Fund Instrument. If and to the extent that more than one Qualified Reserve Fund Instrument is credited to the Debt Service Reserve Account in lieu of money, drawings under such Qualified Reserve Fund Instruments shall be made on a *pro-rata* basis (calculated by reference to the policy, surety or other similar limits or maximum amounts available thereunder) after applying all available money in the Debt Service Reserve Account.

(B) If on July 2 of any year the amount in the Debt Service Reserve Account exceeds an amount equal to the Reserve Requirement and if the County is not then in default under the Purchase Agreement, the Trustee shall withdraw the amount of any such excess from such account and shall apply such amount, first and on a *pro-rata* basis, to pay amounts due with respect to any Qualified Reserve Fund Instruments, including by transferring *pro-rata* amounts in the appropriate “reimbursement funds” established to reimburse the providers of any Qualified Reserve Fund Instruments for any payments made by the providers thereof until the corresponding costs with respect thereto are paid, second, as a deposit to the Interest Account, and third, if the amount in the Interest Account is equal to or greater than the interest due on the Series 2017 Obligations on the next Obligation Payment Date, as a deposit to the Principal Account.

Section 5.5 Investment of Moneys Held by Trustee.

(a) Moneys in all funds and accounts held by the Trustee shall be invested by the Trustee, as soon as possible upon receipt of immediately available funds at its designated corporate trust office, to the fullest amount possible, in Permitted Investments only as directed, in writing, by the County Representative; provided that the maturity date or the date on which such Permitted Investments may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the funds or accounts for which the investments were made will be required for the purposes thereof.

(b) Amounts credited to a fund or account may be invested, together with amounts credited to one or more other funds or accounts, in the same Permitted Investment, provided that (i) each such investment complies in all respects with the provisions of subsection (a) of this Section as they apply to each fund or account for which the joint investment is made and (ii) the Trustee maintains separate records for each fund and account and such investments are accurately reflected therein.

(c) The Trustee may make any investment permitted by this Section, through or with its own commercial banking or investment departments, as agent or principal, unless otherwise directed by the County Representative. The Trustee may conclusively rely upon such written direction from the County as to both the suitability and legality of the directed investments. The County acknowledges that regulations of the Comptroller of the Currency grant the County the right to receive brokerage confirmations of the security transactions as they

occur, at no additional cost. To the extent permitted by law, the County specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Trustee that no brokerage confirmations need be sent relating to the security transactions as they occur.

(d) In computing the amount in any fund or account, Permitted Investments purchased as an investment of moneys therein shall be valued at market. In determining market value of Permitted Investments, the Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

(e) The Trustee shall sell at the best price obtainable, or present for redemption, any Permitted Investment purchased by it as an investment whenever it shall be necessary in order to provide moneys to make any required payment or transfer from the fund or account for which such investment was made.

(f) The County shall not knowingly use or direct or permit the use of any moneys of the County in its possession or control in any manner that would cause any Series 2017 Obligation to be an “arbitrage bond” within the meaning ascribed to such term in section 148 of the Code, or any successor section of the Code. The County shall comply with and take all actions required by any arbitrage or similar certificate and will continue to do so notwithstanding any satisfaction or discharge of this Indenture.

Section 5.6 Liability of Trustee for Investments. The Trustee shall not be liable for any loss resulting from the making of any investment made in accordance with the provisions of this Indenture, except for its own negligence, willful misconduct or breach of trust.

Section 5.7 Investment Income. Except as otherwise provided in this Indenture, interest income and gain received, or loss realized, from investments or moneys in a fund or account shall be credited, or charged, as the case may be, to such fund or account.

Section 5.8 Delivery Costs Fund. Proceeds from the sale of the Series 2017 Obligations shall be deposited in the Delivery Costs Fund as described in Section 5.2. The Trustee shall disburse moneys in the Delivery Costs Fund only upon a requisition signed by the County Representative, substantially in the form attached hereto as Exhibit B entitled “Order for Disbursement”, setting forth the amounts to be disbursed for payment or reimbursement of Delivery Costs and the person or persons to whom such amounts are to be disbursed, stating that the amounts to be disbursed are for Delivery Costs properly chargeable to the Delivery Costs Fund. Amounts remaining in the Delivery Costs Fund after June 1, 2017, or such earlier date as the County has notified the Trustee that all Delivery Costs have been paid, shall be transferred to the County for deposit to the Improvements Fund.

The Trustee shall be responsible for the safekeeping and investment, upon the written direction of the County Representative, of the moneys held in the Delivery Costs Fund in Permitted Investments and the payment thereof in accordance with this Section. Notwithstanding the foregoing, the Trustee shall be entitled to rely conclusively on the requisitions and written orders supplied to it by the County Representative in connection with disbursements made pursuant to this Section.

ARTICLE 6 CERTAIN COVENANTS

Section 6.1 Payment of Principal and Interest. Subject to the limited liability and sources of payment specified in this Indenture, the Series 2017 Obligations shall be promptly paid in the amounts due at the place, on the dates and in the manner provided in this Indenture and in said Series 2017 Obligations according to the terms thereof. The amounts due on the Series 2017 Obligations are payable solely from moneys held or received by the Trustee under this Indenture, all of which are by this Indenture specifically assigned and pledged to such payment in the manner and to the extent specified in this Indenture and nothing in this Indenture or in the Series 2017 Obligations shall be construed as assigning or pledging any other funds or assets of the County.

Section 6.2 Performance of Covenants. Subject to the limited liability and sources of payment described in this Indenture and except to the extent assigned to the Trustee under this Indenture, the County shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be performed as provided in this Indenture, in each and every Series 2017 Obligation executed, authenticated and delivered under this Indenture and in all proceedings of the County pertaining thereto.

Section 6.3 Instruments of Further Assurance. The County shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such instruments supplemental to this Indenture and such further acts, instruments and transfers as the Trustee may reasonably require (which has no obligation to so require) for the better assuring, transferring, mortgaging, conveying, pledging, assigning and confirming unto the Trustee all interests, revenues and receipts pledged by this Indenture to the payment of the principal of and premium, if any, and interest on the Series 2017 Obligations in the manner and to the extent contemplated in this Indenture.

Section 6.4 Rights under Purchase Agreement. The Trustee may enforce all rights under the Purchase Agreement for and on behalf of the Holder, whether or not the County is then in default under this Indenture.

Section 6.5 Protection of Lien. The County shall not make or create or agree to permit to be made or created any assignment or lien on a parity with or having priority or preference over the assignment and lien of this Indenture upon the interests granted by this Indenture or any part thereof except as otherwise specifically provided in the Purchase Agreement. No obligation, the payment of which is secured by property or revenues pledged under this Indenture, shall be executed and delivered by the County except in lieu of, or upon transfer of registration of, any Series 2017 Obligation except as provided in the Purchase Agreement.

ARTICLE 7
DEFAULT AND REMEDIES

Section 7.1 Events of Default. Each of the following is an “*Indenture Event of Default*”:

- (a) If payment of any installment of interest on any Series 2017 Obligation is not made in full when the same becomes due and payable;
- (b) If payment of the principal or redemption premium, if any, on any Series 2017 Obligation is not made in full when the same becomes due and payable;
- (c) If, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of all or any part of the interests pledged under this Indenture and such custody or control continues for more than 60 days;
- (d) If the County defaults in the due and punctual performance of any other covenant, condition, agreement or provision on its part to be performed as provided in this Indenture or in the Series 2017 Obligations and such default continues for 30 days after the Trustee gives the County written notice specifying such default, unless within such 30 days the County commences and diligently pursues in good faith appropriate corrective action and such failure does not continue for a period of more than 60 days; the Trustee may give such notice in its discretion and shall give such notice at the written request of the Holder; or
- (e) If any event of default provided by Section 7.1 of the Purchase Agreement occurs.

Section 7.2 Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Indenture Event of Default and in accordance with Article 7 of this Indenture and Article 7 of the Purchase Agreement, the Trustee may, and upon the written request of the Holder, together with indemnification of the Trustee to its satisfaction therefor, shall protect and enforce its rights and the rights of the Holder under this Indenture and the Series 2017 Obligations by such suits, actions or proceedings as the Trustee, being advised by counsel, deems expedient, including but not limited to, an action for the recovery of any amounts due under this Indenture or for damages for the breach of this Indenture, and the Trustee may pursue any other remedy that the law affords, including the remedy of specific performance. The Trustee shall also have those remedies provided pursuant to Article 7 of the Purchase Agreement, subject to any limitations on such remedies set forth in such Article 7.

(b) Regardless of the happening of an Indenture Event of Default and subject to Section 7.7, the Trustee, if requested in writing by the Holder shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it deems necessary or expedient (i) to prevent any impairment of the security under this Indenture by any acts that may be unlawful or in violation of this Indenture, or (ii) to preserve or protect the interests of the Holder, provided that such request is in accordance with law and the provisions of this Indenture.

Section 7.3 No Acceleration. In no event shall the Trustee have the right to accelerate or cause to become immediately due and payable, or payable in advance of their scheduled maturity dates, any amounts due under this Indenture other than as a result of optional redemption pursuant to Article 3 of this Indenture, and then only to the extent of the amount to be so redeemed.

Section 7.4 Application of Revenues and Other Moneys After Default.

(a) During the continuance of an Indenture Event of Default all moneys held by the Trustee hereunder or received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and advances incurred or made by the Trustee with respect thereto, be deposited in the Obligation Fund, and all amounts held by the Trustee under this Indenture shall be applied as follows; provided, that if the amount available shall not be sufficient to pay in full any amount or amounts then due, then to the payment thereof ratably in a manner consistent with Section 3.3 of the Purchase Agreement, according to the amounts due to the Persons entitled thereto, without any discrimination or preference:

First: To the payment of all installments of interest then due (including interest on amounts not paid when due on the Series 2017 Obligations); and

Second: To the payment of the unpaid Principal Installments or redemption price of any Series 2017 Obligations that have become due, whether at maturity or by call for redemption, in the order of their due dates.

(b) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal of the Series 2017 Obligations to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any unpaid Series 2017 Obligation until such Series 2017 Obligation is presented to the Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

(c) Whenever all principal of and interest on the Series 2017 Obligations that has become due has been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid and the Obligation Fund contains the amounts then required to be credited thereto, any balance remaining shall be paid to the County.

Section 7.5 Remedies Not Exclusive. No remedy provided by this Indenture to the Trustee or the Holders is intended to be exclusive of any other remedy, but each and every such

remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity or by statute on or after the date of this Indenture.

Section 7.6 Remedies Vested in Trustee. Any cause of action (including the right to file proof of claims) under this Indenture or under any of the Series 2017 Obligations may be brought by the Trustee, without the possession of any of the Series 2017 Obligations or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding may be brought without the necessity of joining as plaintiffs or defendants any Holders of the Series 2017 Obligations. Nothing in this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Series 2017 Obligations or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding without the approval of the Holder so affected.

Section 7.7 Holder Action Restricted.

(a) The Holder of the Series 2017 Obligation shall not have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust or for any remedy under this Indenture except for the right to institute any suit, action or proceeding in equity or at law for the enforcement of the Trustee's duties and powers under this Indenture upon the occurrence of all of the following events:

(i) The Holder of the Series 2017 Obligations has made written request to the Trustee to proceed to exercise the powers granted in this Indenture; and

(ii) Such Holder has offered to indemnify the Trustee as provided in Section 8.2(v); and

(iii) The Trustee has failed or refused to exercise the duties or powers granted in this Indenture for a period of 60 days after receipt by it of such request and offer of indemnity; and

(iv) During such 60 day period no direction inconsistent with such written request has been delivered to the Trustee by the Holder of the Series 2017 Obligations.

(b) The Holder of the Series 2017 Obligation shall not have any right in any manner whatsoever to affect, disturb or prejudice the security of this Indenture or to enforce any right under this Indenture except in the manner provided in this Indenture.

(c) Nothing contained in this Indenture shall affect or impair, or be construed to affect or impair, the right of the Holder of any Series 2017 Obligation (i) to receive payment of the principal of or premium, if any, or interest on such Series 2017 Obligation, as the case may be, on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any Series 2017 Obligation may institute or prosecute any such suit if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender,

impairment, waiver or loss of the lien of this Indenture on the moneys, funds and properties pledged under this Indenture.

Section 7.8 Termination of Proceedings. In case any proceeding taken on account of an Indenture Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Holder, then the County, the Trustee and the Holder shall be restored to their former positions and rights under this Indenture, and all rights and powers of the Trustee and the Holder shall continue as if no such proceeding had been taken.

Section 7.9 Waiver of Event of Default.

(a) No delay or omission of the Trustee or of the Holder of any Series 2017 Obligations to exercise any right or power accruing upon any Indenture Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Indenture Event of Default or an acquiescence therein. Every power and remedy given by this Article may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive in writing any Indenture Event of Default that in its opinion has been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Indenture, or before the completion of the enforcement of any other remedy under this Indenture.

(c) In case of any waiver by the Trustee of an Indenture Event of Default under this Indenture, the County, the Trustee and the Holder shall be restored to their former positions and rights under this Indenture, respectively, but no such waiver shall extend to any subsequent or other Indenture Event of Default. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Indenture Event of Default in accordance with this Section.

Section 7.10 Notice of Default.

(a) Within 30 days after (i) the occurrence of an Indenture Event of Default under Section 7.1(a) or (b) of which the Trustee is deemed to have notice, or (ii) receipt by the Trustee of actual knowledge or written notice of an Indenture Event of Default under Section 7.1(c), (d) or (e), the Trustee shall, unless such Indenture Event of Default has been cured, give written notice thereof by first class mail to the Holder of the Series 2017 Obligation, provided that, except in the case of a default in the payment of Principal Installments or the redemption price of or interest on any of the Series 2017 Obligations, the Trustee may withhold such notice if, in its sole judgment, it determines that the withholding of such notice is in the best interests of the Holder.

(b) The Trustee shall immediately notify the County of (i) the occurrence of an Indenture Event of Default under Section 7.1(a) or (b) and (ii) when the Trustee has received actual knowledge or written notice of an Indenture Event of Default under Section 7.1(c), (d) or (e).

Section 7.11 Limitation of Liability.

(a) Except for the payment of amounts pursuant to the Purchase Agreement when due and the performance of the other covenants and agreements of the County contained in the Purchase Agreement and in this Indenture, the County shall have no pecuniary obligation or liability to any of the other parties or to the Holder with respect to this Indenture or the terms, execution, delivery or transfer of the Series 2017 Obligations, or the distribution of applicable portions of the Purchase Price to the Holder by the Trustee.

(b) The County shall not have any obligation or liability to any of the other parties or to the Holders with respect to the performance by the Trustee of any duty imposed upon it under this Indenture; nor shall the Trustee have any obligation or liability to any of the other parties or to the Holders with respect to the performance by the County of any duty imposed upon it under this Indenture.

Section 7.12 Limitations on Remedies. It is the purpose and intention of this Article to provide to the Trustee and Holders rights and remedies that lawfully may be granted, but should any right or remedy granted in this Indenture be held to be unlawful, the Trustee and the Holders shall be entitled, as above set forth, to every other right and remedy provided in this Indenture and, to the extent consistent with the provisions of this Indenture, by law.

**ARTICLE 8
THE TRUSTEE**

Section 8.1 Certain Duties and Responsibilities of Trustee.

(a) Except during the continuance of an Indenture Event of Default:

(i) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions that are required by any provision of this Indenture or of the Purchase Agreement, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture or the Purchase Agreement on their face.

(b) In case an Indenture Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent trustee would exercise or use under the circumstances.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct or breach of trust, except that:

(i) this subsection shall not be construed to limit the effect of subsection (a);

(ii) the Trustee shall not be liable for any error of judgment made in good faith and without negligence, willful misconduct or breach of trust by a president or vice-president of the board of directors, the president or vice-president of the executive committee of the board of directors, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any associate or senior associate, or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers or, with respect to a particular matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and without negligence in accordance with the direction of the Holder of the Series 2017 Obligations as provided in this Indenture relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under this Indenture, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it. The Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment properly to be done by it as the Trustee, without prior assurance of indemnity, and in such case shall be entitled to reimbursement by the County for all reasonable costs, expenses, attorneys' and other fees and expenses, and all other reasonable disbursements, including its own fees and expenses, and for all liability and damages suffered by the Trustee in connection therewith except for the Trustee's negligence, willful misconduct or breach of trust.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 8.2 Certain Rights of Trustee. Except as otherwise provided in Section 8.1:

(i) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, obligation, note or other paper or document

reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(ii) Any request or direction of the County mentioned in this Indenture shall be sufficiently evidenced by a certificate of the County Representative, and any action of the Board may be sufficiently evidenced by a copy of a resolution certified by the Clerk or Assistant Clerk of the Board to have been duly adopted by the Board and to be in full force and effect on the date of such certification and delivered to the Trustee.

(iii) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Indenture, the Trustee (unless other evidence is specifically prescribed in this Indenture) may, in the absence of bad faith on its part, rely upon a certificate of the County Representative.

(iv) The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it under this Indenture in good faith and in reliance thereon.

(v) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture unless such Holders shall have offered to the Trustee satisfactory security or indemnity against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(vi) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, obligation, note or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(vii) The Trustee may engage agents and attorneys to assist it in executing any of the trusts or powers under this Indenture or performing any duties under this Indenture and shall not be liable for the negligence or misconduct of such agents and attorneys so long as the Trustee exercises due care in the selection thereof.

(viii) The Trustee shall not be responsible for the recording or filing of any documents relating to the Purchase Agreement.

(ix) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful default. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(x) In acting or omitting to act pursuant to the Purchase Agreement, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Indenture, including, but not limited to, this Article 8.

Section 8.3 Employment of Experts. The Trustee is authorized to employ as its agents such attorneys at law, certified public accountants and recognized authorities in their fields (who are not employees of the Trustee), as it reasonably may deem necessary to assist it to carry out any of its obligations under this Indenture, and shall be reimbursed by the County for all reasonable expenses and charges in so doing.

Section 8.4 Enforcement of Performance by Others. Except as provided in Section 8.1 or otherwise specifically provided in this Indenture, it shall not be the duty of the Trustee to see that any duties and obligations imposed upon the County by this Indenture are performed.

Section 8.5 Right to Deal in Series 2017 Obligations and Take Other Actions. The Trustee may in good faith buy, sell or hold and deal in any Series 2017 Obligations with like effect as if it were not such Trustee and may commence or join in any action that a Holder is entitled to take with like effect as if the Trustee were not the Trustee. It is understood and agreed that the Trustee engages in a general banking business and no provision of this Indenture or of the Purchase Agreement is to be construed to limit or restrict the right of the Trustee to engage in such business with the County or any Holder. So engaging in such business shall not, in and of itself, and so long as the Trustee duly performs all of its duties as required by this Indenture and by the Purchase Agreement, constitute a breach of trust on the part of the Trustee, but neither shall engaging in such business abrogate, alter or diminish any duty or obligation of the Trustee as Trustee under this Indenture.

Section 8.6 Removal and Resignation of Trustee.

(a) The Trustee may resign within 30 days' notice from the trusts created by this Indenture by giving written notice of the resignation to the County and any Paying Agents and by mailing written notice of the resignation to the Holder as its name and address appears on the register it maintains with respect to the Series 2017 Obligations at the close of business 15 days prior to the mailing. The resignation shall take effect upon the appointment of a successor Trustee.

(b) The Trustee may be removed at any time by an instrument or document or concurrent instruments or documents in writing delivered to the Trustee, with copies thereof mailed to the County and any Paying Agents and signed by (i) the County Representative or (ii) by or on behalf of the Holder. The Trustee also may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by an instrument signed by the County or by any court of competent jurisdiction upon the application of the County, or the Holder of the Series 2017 Obligations. Any removal shall not take effect until a successor Trustee has been appointed. In the event a successor Trustee has not been appointed and qualified within 60 days of the date notice of resignation or removal is given, the Trustee may apply to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed as provided in this Section.

(c) In the event of the resignation or removal of the Trustee or in the event the Trustee is dissolved or otherwise becomes incapable to act as the Trustee, the County shall be entitled to appoint a successor Trustee acceptable to the County.

(d) If the Holder of the Series 2017 Obligation objects to the successor Trustee so appointed by the County and if such Holder designates another Person qualified to act as the Trustee, the County shall then appoint as the Trustee the Person so designated by the Holder.

(e) Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor Trustee shall be a trust company or bank having the powers of a trust company as to trusts, qualified to do trust business in the State and having an officially reported combined capital, surplus, undivided profits and reserves aggregating at least \$200,000,000, if there is such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

(f) Every successor Trustee howsoever appointed under this Indenture shall execute, acknowledge and deliver to its predecessor and also to the County an instrument in writing, accepting such appointment under this Indenture, and thereupon such successor Trustee, without further action, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, and such predecessor shall execute and deliver an instrument transferring to such successor Trustee all the rights, power and trusts of such predecessor. The predecessor Trustee shall execute any and all documents necessary or appropriate to convey all interest it may have to the successor Trustee. The predecessor Trustee shall promptly deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Trustee.

(g) Each successor Trustee, not later than ten days after its assumption of the duties under this Indenture, shall mail a notice of such assumption to each Holder of a Series 2017 Obligation.

(h) Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee without the execution or filing of any paper or any further act, provided such company shall be eligible as a successor Trustee under this Indenture.

Section 8.7 Proof of Claim. The Trustee shall have the right and power to take actions in the name and place of the County or the Holders to make proof of claim in any proceeding, bankruptcy, reorganization or otherwise where proof of claim may be required. Any amount recovered as a result of any such claim, after payment of all fees (including reasonable attorneys' fees and expenses), costs, expenses and advances incurred by the Trustee or its agents in pursuing such claim, shall be for the benefit of the Holder.

Section 8.8 Trustee's Fees and Expenses.

(a) The Trustee shall be entitled to be paid from time to time reasonable compensation for all services rendered by it under this Indenture; to reimbursement upon request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and its agents), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith or willful misconduct or breach of trust; and, together with the Trustee's officers, directors, agents and employees, to be indemnified by the County, for, from and against any loss, liability, claim, suit, cost, judgment, damages or expense (including without limitation legal fees and expenses) arising out of or in connection with the acceptance or administration of this trust or its duties under this Indenture, the Purchase Agreement and any other document or transaction contemplated in connection with this Indenture or the Purchase Agreement. The Trustee's right to indemnity shall not extend to claims, suits and actions successfully brought against the Trustee for, or losses, liabilities or expenses incurred as a result of the Trustee's own negligence, bad faith, willful misconduct or breach of trust. In the event any action or proceeding is instituted or pending against the Trustee by reason of or in connection with the acceptance or administration of this trust or the Trustee's duties under this Indenture, the County may, at its election, assume the defense of any such action or proceeding with counsel satisfactory to the Trustee. If any such action or proceeding includes any claims alleging the Trustee's own negligence, bad faith, willful misconduct or breach of trust, the Trustee 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 Trustee is not entitled to be indemnified as authorized in this Section. Any settlement of any such action or proceeding shall not, of itself, create a presumption as to the merits of any claims alleging the Trustee's own negligence, bad faith, willful misconduct or breach of trust. The Trustee's rights to compensation, reimbursement and indemnity while serving as Trustee under this Indenture shall survive resignation or removal of the Trustee or discharge of the Indenture.

(b) Any provision of this Indenture to the contrary notwithstanding, if the County fails, within 30 days of receiving an itemized invoice and back-up documentation, to make any payment properly due the Trustee for its reasonable fees, costs, expenses and fees of attorneys, certified public accountants, recognized authorities in their field and agents (not employees of the Trustee) incurred in performance of its duties, the Trustee may reimburse itself from any moneys on hand in any fund or account created pursuant to this Indenture and shall have a lien prior to the Holders of the Series 2017 Obligations. When the Trustee incurs expenses or renders services after the occurrence of an Indenture Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 8.9 Reports; Records.

(a) The Trustee shall quarterly, or at such other intervals as the Trustee and the County shall from time to time agree upon (but in no event more frequently than monthly),

prepare and submit to the County reports covering all moneys received and all payments, expenditures and investments made as the Trustee under this Indenture since the last previous such report.

(b) The Trustee's records shall be kept in compliance with corporate trust industry standards. In lieu of destruction and immediately prior to the date the Trustee would destroy any Holder or payment records with respect to the Series 2017 Obligations maintained by the Trustee pursuant to this Indenture, such records shall be provided to the Treasurer of the County.

Section 8.10 Separate or Co-Trustee.

(a) At any time or times, solely for the purpose of meeting any legal requirements of any jurisdiction other than Arizona, the County and the Trustee shall have the power to appoint one or more Persons, approved by the Trustee and, unless an Indenture Event of Default has occurred and is continuing, reasonably acceptable to the County, to act as either a co-trustee or co-trustees, or as a separate trustee or separate trustees, of all or any part of the pledged property, and to vest in such Person or Persons, in such capacity, such title to the pledged property or any part thereof, and such rights, powers, duties, trusts or obligations as the County and the Trustee may consider necessary or desirable, subject to the remaining provisions of this Section. Upon the request of the Trustee or of the Holder of the Series 2017 Obligation, the County shall for such purpose join with the Trustee and both, as necessary, will execute, deliver and perform all instruments and agreements necessary or proper to affect the appointment.

(b) If the County fails to join in such appointment within 30 days after the receipt by it of a request to do so, or if an Indenture Event of Default has occurred and is continuing, the Trustee acting alone shall have power to make such appointment.

(c) The County shall execute, acknowledge and deliver all instruments reasonably required by any such co-trustee or separate trustee to more fully and certainly vest in such co-trustee or separate trustee the property, rights, powers and duties intended to be vested in such co-trustee or separate trustee.

(d) Every co-trustee or separate trustee shall, to the extent permitted by law but to such extent only, be appointed subject to the following terms, namely:

(i) The Series 2017 Obligations shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations conferred upon the Trustee by this Indenture in respect to the custody, control and management of moneys, papers, securities and other personal property shall be exercised, solely by the Trustee.

(ii) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and such co-trustee or co-trustees or separate trustee or separate trustees jointly, as shall be provided in the instrument appointing such co-trustee or co-trustees or separate trustee or separate trustees, except to the extent that,

under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees.

(iii) Any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action under this Indenture shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-trustee or separate trustee and such co-trustee or separate trustee shall abide by such request.

(iv) Any co-trustee or separate trustee may, to the extent permitted by law, delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

(v) The Trustee may at any time, by any instrument in writing, with the concurrence of the County, accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, in case an Indenture Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee. Upon the request of the Trustee, the County shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal.

(vi) No Trustee or any Paying Agent under this Indenture shall be personally liable by reason of any act or omission of any other trustee or paying agent under this Indenture, nor will the act or omission of any trustee or paying agent under this Indenture be imputed to any other trustee or paying agent.

(vii) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing delivered to the Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee.

(viii) Any moneys, papers, securities or other items of personal property received by any such co-trustee or separate trustee under this Indenture shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

(e) Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it or he shall be vested jointly with the Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone) with such title to the pledged property or any part thereof, and with such rights, powers, duties or obligations, as shall be specified in the instrument of appointment subject to all the terms of this Indenture. Every such acceptance shall be filed with the Trustee. To the extent permitted by law, any co-trustee or separate trustee may, at any time by an instrument in writing signed by the Trustee and any co-trustee or separate trustee, constitute the Trustee, its or his attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its or his behalf and in its or his name.

(f) In case any co-trustee or separate trustee shall dissolve, cease to exist, become incapable of acting, resign or be removed, the title to the pledged property, and all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the manner provided in this Indenture.

Section 8.11 Recitals and Representations.

(a) The recitals, statements and representations contained in this Indenture, or in any Series 2017 Obligation (excluding the Trustee's authentication on the Series 2017 Obligations or any recitals or representations concerning the Trustee or its powers) shall not be taken or construed as made by the Trustee, and the Trustee neither assumes nor shall be under any responsibility for the correctness of the same.

(b) The Trustee makes no representation as to, and is not responsible for, the validity or sufficiency of this Indenture, of the Series 2017 Obligations, or the validity or sufficiency of insurance to be provided or, except as required in this Indenture, the filing or recording or registering of any document. The Trustee shall be deemed not to have made representations as to the security afforded by or under this Indenture or as to the validity or sufficiency of such document. The Trustee shall not be concerned with or accountable to anyone for the use or application of any moneys that are released or withdrawn in accordance with the provisions of this Indenture. Except as to defaults described in Sections 7.1(a) and (b) of which the Trustee is deemed to have notice, the Trustee shall have no duty of inquiry with respect to any default or Events of Default described in this Indenture without actual knowledge of or receipt by the Trustee of written notice of a default or an Indenture Event of Default from any Holder.

(c) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or other disclosure or sales material prepared or distributed in connection with the execution and delivery of the Series 2017 Obligations.

**ARTICLE 9
SUPPLEMENTS TO INDENTURE
AND AMENDMENTS TO PURCHASE AGREEMENT**

Section 9.1 Supplements Not Requiring Consent of Holders. The County acting through the County Representative and the Trustee may, without the consent of or notice to the Holder, enter into one or more supplements to this Indenture for one or more of the following purposes:

(i) To cure any ambiguity or formal defect or omission in this Indenture or to correct or supplement any provision in this Indenture that is inconsistent with any other provision in this Indenture, or to make any other provisions with respect to matters or questions arising under this Indenture provided such action shall, in the

opinion of counsel delivered to the Trustee under Section 9.3(a), not materially adversely affect the interests of the Holders;

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

(iii) To secure additional revenues or provide additional security or reserves for payment of the Series 2017 Obligations or to add a Qualified Reserve Fund Instrument and necessary, related provisions therefor;

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

(v) To provide for the appointment of a successor trustee or co-trustee pursuant to the terms of Section 8.6 and Section 8.10;

(vi) To permit Series 2017 Obligations in bearer form if the County and the Trustee receive a Special Counsel's Opinion that such action will not cause the interest on any Series 2017 Obligations to become includible in gross income for purposes of federal income taxes;

(vii) To preserve the exclusion of the interest on the Series 2017 Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the County to continue to incur obligations (specifically not limited to the Series 2017 Obligations authorized by this Indenture) the interest on which is likewise exempt from federal and State income taxes and

(viii) To adopt procedures for the disclosure of information to Holders and to others in accordance with any guidelines for such purpose promulgated by the American Bankers Association or some other similar national organization, as such guidelines may be made applicable to this Indenture by agreement of the Trustee and the County.

Section 9.2 Supplements Requiring Consent of Holders.

(a) Other than supplements referred to in Section 9.1 and subject to the terms and provisions and limitations contained in this Article and not otherwise, the Holder of the Series 2017 Obligation shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the County Representative and the Trustee of such supplement as shall be deemed necessary and desirable by the County and the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular respect, any of the terms or provisions contained in this Indenture.

(b) If at any time the County requests the Trustee to enter into a Supplement pursuant to this Section, the Trustee shall, upon being satisfactorily and specifically indemnified by the County with respect to expenses with respect to such Supplement, cause notice of the

proposed execution of such Supplement to be mailed by first class mail, postage pre-paid, to the registered Holder of the Series 2017 Obligation at its address as it appears on the registration books provided for in this Indenture. The Trustee shall not, however, be subject to any liability to any Holder by reason of its failure to mail, or the failure of such Holder to receive, the notice required by this Section. Such notice shall briefly set forth the nature of the proposed Supplement and shall state that copies of are on file at the office of the Trustee for inspection by all Holders.

(c) If within the period prescribed by the County, following the mailing of such notice, the Trustee receives an instrument or instruments purporting to be executed by the Holder of the Series 2017 Obligation, that refers to the proposed Supplement and specifically consents to and approves the execution of the Supplement and the Trustee and the County may execute such Supplement in substantially the form of the copy referred to in the notice as on file with the Trustee, without liability or responsibility to such Holder.

(d) Any such consent shall be binding upon the Holder of the Series 2017 Obligation giving such consent and upon any subsequent Holder of such Series 2017 Obligation and of any Series 2017 Obligation executed and delivered in exchange therefor (whether or not the subsequent Holder has notice of the consent), unless the consent is revoked in writing by the Holder giving the consent or by a subsequent Holder by filing the revocation with the Trustee, prior to the execution by the Trustee of the Supplement. At any time after the Holder has filed its consent to the Supplement, the Trustee shall make and file with the County a written statement to that effect. Such written statement shall be conclusive that such consents have been so filed.

(e) If the Holder has consented to and approved the execution of the Supplement as provided in this Indenture, no Holder shall have any right to object to the execution of the Supplement, or to object to any of the terms and provisions contained in the Supplement or the operation of the Supplement, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the County from executing the Supplement or from taking any action pursuant to the provisions thereof.

(f) S&P, if maintaining a rating on the Series 2017 Obligations, shall be provided a copy of any proposed supplement or any amendment to the Purchase Agreement at least 15 days prior to the execution of such Supplement or amendment.

Section 9.3 Execution and Effect of Supplements.

(a) In executing any Supplement permitted by this Article, the Trustee and the County shall be entitled to receive and to rely upon an Opinion of Counsel stating that the execution of such Supplement is authorized or permitted by this Indenture and complies with the terms hereof. The Trustee may but shall not be obligated to enter into any such Supplement that affects the Trustee's own rights, duties or immunities.

(b) Upon the execution and delivery of any Supplement in accordance with this Article, the provisions of this Indenture shall be modified in accordance with such Supplement and such Supplement shall form a part of this Indenture for all purposes and every

Holder of a Series 2017 Obligation previously or thereafter authenticated and delivered under this Indenture shall be bound by such Supplement.

(c) Any Series 2017 Obligation authenticated and delivered after the execution and delivery of any Supplement in accordance with this Article may, and if required by the Trustee shall, bear a notation in a form approved by the Trustee as to any matter provided for in such Supplement. The Trustee may execute and deliver new Series 2017 Obligations modified to conform, in the opinion of the Trustee, to any such Supplement in exchange for and upon surrender of the Series 2017 Obligation then Outstanding upon receipt of a Special Counsel's Opinion to the effect that such action will not cause the interest on any Series 2017 Obligations to become includible in gross income for purposes of federal income taxes.

Section 9.4 Amendments to Purchase Agreement Not Requiring Consent of Holders.
The Trustee may, without the consent of or notice to the Holder, consent to and join with the County in the execution and delivery of any amendment, change or modification of the Purchase Agreement that is required (i) by the provisions of the Purchase Agreement; (ii) to cure any ambiguity or formal defect or omission or to correct or supplement any provision of the Purchase Agreement that is inconsistent with any other provision of the Purchase Agreement, or to make any other provisions with respect to matters or questions arising under the Purchase Agreement provided that the modification, in the opinion of counsel delivered to the Trustee under this Section 9.4, does not materially adversely affect the interests of the Holders; (iii) to add a Qualified Reserve Fund Instrument so long as any payments with regard to the new Qualified Reserve Fund Instrument are paid no sooner, or in an amount greater, than amounts required to be paid pursuant to Section 3.3(b)(iv) of the Purchase Agreement; (iv) to amend the description of the Series 2017 Projects; (v) to preserve the exclusion of the interest on the Series 2017 Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the County to continue to incur bonds or other obligations (specifically not limited to the Series 2017 Obligations authorized by this Indenture) the interest on which is likewise exempt from federal and State income taxes; and (vi) in connection with any other change in the Purchase Agreement that, in the opinion of counsel delivered to the Trustee, will not materially adversely affect the interests of the Holders or, in the opinion of the Trustee, the Trustee. In executing any amendment to the Purchase Agreement, the Trustee shall be entitled to receive and rely on an Opinion of Counsel stating that such amendment is authorized or permitted under this Indenture and under the Purchase Agreement and complies with the terms hereof and of the Purchase Agreement.

Section 9.5 Amendments to Purchase Agreement Requiring Consent of Holders.

(a) Except for amendments, changes or modification to the Purchase Agreement referred to in Section 9.4, and subject to the terms, provisions and limitations contained in this Article, and not otherwise, the Trustee may consent to and join with the County in the execution and delivery of any amendment, change or modification to the Purchase Agreement only with the consent of the Holder of the Series 2017 Obligation.

(b) If at any time the County requests the consent of the Trustee to any amendment, change or modification to the Purchase Agreement, the Trustee shall, upon being satisfactorily indemnified by the County with respect to expenses, cause notice of the proposed

amendment, change or modification to be given in the manner provided in Section 9.2 with respect to Supplements to this Indenture. Such notice shall briefly set forth the nature of the proposed amendment, change or modification and shall state that copies of it are on file at the office of the Trustee for inspection by any Holder.

(c) If the consent to and approval of the execution of the amendment, change or modification is given by the Holder of the Series 2017 Obligation specified in subsection (a) within the time and in the manner provided by Section 9.2 with respect to Supplements to this Indenture, but not otherwise, the amendment, change or modification may be consented to, executed and delivered upon the terms and conditions and with like binding effect upon the Holders as provided in Section 9.2 and Section 9.3 with respect to Supplements to this Indenture.

ARTICLE 10

SATISFACTION AND DISCHARGE

Section 10.1 Discharge.

(a) If payment of all principal of and premium, if any, and interest on all of the Series 2017 Obligations in accordance with their terms and as provided in this Indenture and in Section 3.7 of the Purchase Agreement is made, or is provided for in accordance with this Article, and if all other sums, if any, payable under this Indenture shall be paid, then the liens, estates and security interests granted by this Indenture shall cease. Thereupon, upon the request of the County, and upon receipt by the Trustee of an Opinion of Counsel addressed to the County and the Trustee stating that all conditions precedent to the satisfaction and discharge of the lien of this Indenture have been satisfied, the Trustee shall execute and deliver proper instruments (prepared and provided to the Trustee by or on behalf of the County) acknowledging such satisfaction and discharging the lien of this Indenture and the Trustee shall transfer all property held by it under this Indenture, other than moneys or obligations held by the Trustee for payment of amounts due or to become due on the Series 2017 Obligations, to the County or such other Person as may be entitled thereto as their respective interests may appear. Such satisfaction and discharge shall be without prejudice to the rights of the Trustee thereafter to charge and be compensated or reimbursed for services rendered and expenditures incurred in connection with this Indenture.

(b) The County may at any time surrender to the Trustee for cancellation any Series 2017 Obligations previously executed and delivered that the County may have acquired in any manner whatsoever and such Series 2017 Obligations upon such surrender and cancellation shall be deemed to be paid and retired.

Section 10.2 Providing for Payment of Series 2017 Obligations.

(a) Payment of all or any part of the Series 2017 Obligations in authorized denominations may be provided for by the deposit with the Trustee or a Depository Trustee of moneys or Defeasance Obligations that are not redeemable in advance of their maturity dates. Amounts in the Debt Service Reserve Account may be included as part of such deposit only if all of the Series 2017 Obligations are to be defeased. The moneys and the maturing principal and

interest income on such Defeasance Obligations, if any, shall be sufficient, as evidenced by a certificate of an independent nationally recognized certified public accountant or firm of such accountants, to pay when due the principal or redemption price of and interest on such Series 2017 Obligations. The moneys and Defeasance Obligations shall be held by the Trustee or the Depository Trustee irrevocably in trust for the Holder of the Series 2017 Obligations solely for the purpose of paying the principal or redemption price of and interest on such Series 2017 Obligations as the same shall mature, come due or become payable upon redemption, and, if applicable, upon simultaneous direction, expressed to be irrevocable to the Trustee or Depository Trustee as to the dates upon which any such Series 2017 Obligations are to be redeemed prior to their respective dates.

(b) Notwithstanding the foregoing, no deposit under subsection (a) above shall be deemed a payment of such Series 2017 Obligation as aforesaid until the earlier of: (i) proper notice of redemption of such portion of the Series 2017 Obligations shall have been given in accordance with the provisions of Section 3.6 or, in the event said portion of the Series 2017 Obligation is not to be redeemed within the next succeeding 60 days, until the County shall have given the Trustee irrevocable instructions in form satisfactory to the Trustee, to notify, as soon as practicable, the Holder of the Series 2017 Obligation in accordance with Section 3.6, that the deposit required by subsection (a) has been made with the Trustee and that said portion of the Series 2017 Obligation is deemed to have been paid in accordance with this Article and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption price, if any, on said portion of the Series 2017 Obligation, plus interest thereon to the due date or redemption date thereof or (ii) the maturity of the Series 2017 Obligation.

(c) If payment of Series 2017 Obligations is so provided for, the Trustee or the Depository Trustee shall mail a notice so stating to (i) the Holder of the Series 2017 Obligation and (ii) the Treasurer of the County.

(d) The portion of the Series 2017 Obligations, the payment of which has been provided for in accordance with this Section, shall no longer be deemed Outstanding under or secured by this Indenture. The obligation in respect of such portion of the Series 2017 Obligations shall nevertheless continue but the Holder of the Series 2017 Obligation will be entitled to payment only from the moneys or Defeasance Obligations deposited with the Trustee or the Depository Trustee to provide for the payment of such portion of the Series 2017 Obligations.

(e) No portion of the Series 2017 Obligation may be so provided for if, as a result thereof or of any other action in connection with which the provisions for payment of such Series 2017 Obligation is made, the interest payable on any Series 2017 Obligation is made includible in gross income for purposes of federal income taxes. The Trustee and the County may rely upon a Special Counsel's Opinion to the effect that the provisions of this paragraph will not be breached by so providing for the payment of any Series 2017 Obligations.

Section 10.3 Payment of Series 2017 Obligations After Discharge. Notwithstanding the discharge of the lien of this Indenture under this Article, the Trustee shall nevertheless retain such rights, powers and duties under this Indenture as may be necessary and convenient for the

payment of amounts due or to become due on the Series 2017 Obligations and the registration, transfer and replacement of Series 2017 Obligations as provided in this Indenture. Nevertheless, any moneys held by the Trustee or any Paying Agent for the payment of the principal of or premium, if any, or interest on any Series 2017 Obligation remaining unclaimed for two years after the same shall become due and payable at maturity or by declaration as provided in this Indenture, shall then be paid to the County (without liability for interest) and the Holder of that Series 2017 Obligation shall be entitled to look only to the County for payment thereof and all liability of the Trustee or any Paying Agent with respect to such moneys shall cease at that time. The obligations of the Trustee under this Section shall be subject, however, to the requirements of any applicable law regarding the disposition of unclaimed property.

ARTICLE 11 MISCELLANEOUS

Section 11.1 Evidence of Acts of Holders.

(a) Any request, direction, consent or other instrument provided by this Indenture to be signed and executed by the Holders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Holders in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Series 2017 Obligations, if made in the following manner, shall be sufficient for any of the purposes of this Indenture and shall be conclusive in favor of the Trustee and the County, with regard to any action taken by them, or either of them, under such request or other instrument, namely:

(i) The fact and date of the execution by any Person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments in such jurisdiction, that the Person signing such writing acknowledged before him the execution thereof, or by the affidavit of a witness of such execution; and

(ii) The ownership of Series 2017 Obligations shall be proved by the register of such Series 2017 Obligations.

(b) Nothing in this Section shall be construed as limiting the Trustee to the proof specified in subsection (a) above, it being intended that the Trustee may accept any other evidence that it may deem sufficient.

(c) Any action taken or suffered by the Trustee pursuant to any provision of this Indenture, upon the request or with the assent of any Person who at the time is the Holder of any Series 2017 Obligation, shall be conclusive and binding upon all future Holders of the Series 2017 Obligation.

Section 11.2 Limitation of Rights. With the exception of rights expressly conferred in this Indenture, nothing expressed or mentioned in or to be implied from this Indenture or the Series 2017 Obligations is intended or shall be construed to give to any Person other than the

parties to this Indenture and the Holders of the Series 2017 Obligations any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions contained in this Indenture.

Section 11.3 Severability. If any one or more sections, clauses, sentences or parts of this Indenture shall for any reason be questioned in any court of competent jurisdiction and shall be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Indenture, or the Series 2017 Obligations executed and delivered pursuant to this Indenture, but shall be confined to the specific sections, clauses, sentences and parts so adjudged.

Section 11.4 Holidays. When the date on which principal of or interest or premium on any Series 2017 Obligation is due and payable is not a Business Day, payment may be made on Series 2017 Obligations presented at such place of payment on the next Business Day with effect as though payment were made on the due date, and, if such payment is made, no additional interest shall accrue from and after such due date. When any other action is provided in this Indenture to be done on a day named or within a time period named, and the day or the last day of the period falls on a day other than a Business Day, it may be performed on the next ensuing Business Day with effect as though performed on the appointed day or within the specified period.

Section 11.5 Governing Law. This Indenture and the Series 2017 Obligations are contracts made under the laws of the State and shall be governed and construed in accordance with such laws.

Section 11.6 Notices.

(a) Unless otherwise expressly specified or permitted by the terms of this Indenture, all notices, consents or other communications required or permitted under this Indenture shall be deemed sufficiently given or served if given in writing, mailed by first class mail, postage prepaid and addressed as follows:

(i) If to the Trustee, addressed to it at Suite 500, 919 Congress Avenue, Austin, Texas 78701-2153, Attention: Corporate Trust Services;

(ii) If to the registered Holder of a Series 2017 Obligation, addressed to such Holder at the address shown on the registration books kept pursuant to this Indenture;

(iii) If to the County, addressed to it at 6th Floor, 130 West Congress, Tucson, Arizona 85701, Attention: Director of Finance;

(iv) If to S&P, addressed to it at 55 Water Street, New York, New York 10041; and

(v) If to Fitch, addressed to it at One State Street Plaza, New York, New York 10004.

(b) The parties listed above may from time to time by notice in writing to the others designate a different address or addresses for notices under this Indenture.

Section 11.7 Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which together shall constitute one instrument.

Section 11.8 Waiver of Personal Liability. No director, officer, agent, financial advisor, counsel or employee of the County shall be individually or personally liable for the payment of the principal amount or redemption price of or interest on the Series 2017 Obligations; but nothing contained in this Indenture shall relieve any such director, officer, agent, financial advisor, counsel or employee from the performance of any official duty provided by law.

Section 11.9 Binding Effect. This instrument shall inure to the benefit of and shall be binding upon the parties to this Indenture and their respective successors and assigns subject to the limitations contained in this Indenture. Except as provided in this Indenture, the trust under this Indenture shall not be assigned to any other person, corporation, partnership or trustee unless the Trustee is required by law to divest, or does divest, itself of its trust department or unless the Trustee shall sell or assign substantially all of its corporate trust business in which event the trust under this Indenture shall be continued by the Trustee's successor in interest.

Section 11.10 Certain Statutory Notices.

(a) To the extent applicable by provision of law, the Trustee acknowledges that this Indenture is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, the provisions of which are incorporated in this Indenture and which provides that the County may within three years after its execution cancel any contract (including this Indenture) without penalty or further obligation 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 or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. The Trustee covenants not to employ as an employee, an agent or, with respect to the subject matter of this Indenture, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Indenture on behalf of the County within three years from the execution of this Purchase Agreement. The County and the Trustee represent that, to the best of their knowledge, as of the date of this Indenture, no basis exists for the County to cancel this Purchase Agreement pursuant to Section 38-511, Arizona Revised Statutes.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, the Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the E-verify requirements under Section 23-214(A), Arizona Revised Statutes. The breach by the Trustee of the foregoing shall be deemed a material breach of this Indenture and may result in the termination of the services of the Trustee by the County. The County retains the legal right, with reasonable prior notice, to randomly inspect the papers and records of the Trustee to ensure that the Trustee is complying with the above-mentioned warranty. The Trustee shall keep such papers and records open for random inspection by the

County during normal business hours. The Trustee shall cooperate with the random inspections including by granting the County entry rights onto its property to perform such random inspections and waiving its rights to keep such papers and records confidential solely to the extent permitted by law.

(c) Pursuant to Section 35-393 et seq., Arizona Revised Statutes, the Trustee hereby certifies it is not currently engaged in, and for the duration of this Indenture 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 Trustee’s certification above is false or that it has breached such agreement, the County may impose remedies as provided by law.

Section 11.11 Facsimile Instructions. The Trustee shall have the right to accept and act upon Instructions given pursuant to this Indenture by Authorized Officers and delivered using Electronic Means; provided, however, that the County shall provide to the 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 Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The County understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The County shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the 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 Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The County agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the County; (iii) 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 (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 11.12 Force Majeure. The Trustee shall not be considered in breach of or in default in its obligations under this Indenture or progress in respect thereto in the event of enforced delay (“unavoidable delay”) in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other like occurrences beyond the control of the Trustee; it being understood that the Trustee shall use

reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

[Signature page follows]

IN WITNESS WHEREOF, the County has caused these presents to be signed in the name and on its behalf by its duly authorized officer and, to evidence its acceptance of the trusts created by this Indenture, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized officer, all as of the day and year first above written.

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

By 
Print Name: Deborah M. Scherer
Title: Vice President

PIMA COUNTY, ARIZONA

By 
Finance and Risk Management Director

ATTEST:


Clerk, Board of Supervisors

APPROVED AS TO FORM:

GREENBERG TRAURIG, LLP,
Special Counsel

By 
Michael Cafiso

PHX 332032699v3

[SIGNATURE PAGE TO SERIES 2017 OBLIGATION INDENTURE]

EXHIBIT A

FORM OF SERIES 2017 OBLIGATION

THIS OBLIGATION MAY ONLY BE TRANSFERRED BY THE REGISTERED OWNER HEREOF IN ACCORDANCE WITH THE TRANSFER RESTRICTIONS SET FORTH IN ARTICLE II OF THE HEREINAFTER DEFINED INDENTURE

SEWER SYSTEM REVENUE OBLIGATION, SERIES 2017,
EVIDENCING INTEREST OF THE HOLDER HEREOF IN INSTALLMENT
PAYMENTS OF THE PURCHASE PRICE TO BE PAID
BY PIMA COUNTY, ARIZONA, PURSUANT TO A
SERIES 2017 PURCHASE AGREEMENT,
DATED AS OF FEBRUARY 1, 2017
AS ASSIGNED TO

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

No:

Denomination: \$45,000,000

INTEREST
RATE:

.....%

MATURITY
DATE:

July 1, 2031

DATED:

February 9, 2017

REGISTERED OWNER:

PRINCIPAL AMOUNT: FORTY-FIVE MILLION AND 00/100 DOLLARS

The registered owner identified above, or registered assigns, as the registered owner of this Sewer System Revenue Obligation, Series 2017 (this "*obligation*"), is the owner of the right to receive the installments of the "Purchase Price" pursuant to that certain Series 2017 Purchase Agreement, dated as of February 1, 2017 (the "*Purchase Agreement*"), by and between The Bank of New York Mellon Trust Company, N.A., a national banking association, authorized to exercise trust powers in the State of Arizona, in its separate capacity as seller (the "*Seller*"), and Pima County, Arizona, a political subdivision of the State of Arizona, as purchaser (the "*County*"), which installments and certain other rights and interests under the Purchase Agreement have been assigned to The Bank of New York Mellon Trust Company, N.A., in its separate capacity as trustee (together with any successor thereto, the "*Trustee*"), pursuant to that certain Series 2017 Obligation Indenture, dated as of February 1, 2017 (the "*Indenture*"), by and between the County and the Trustee.

The registered owner of this obligation is entitled to receive, subject to the terms of the Purchase Agreement, on the maturity date set forth above, the principal amount set forth above, representing the installments of the Purchase Price denominated as principal coming due on the Maturity Date set forth above, and to receive on July 1, 2017, and semiannually on January 1 and July 1 of each year thereafter (each an "*Obligation Payment Date*") until payment in full of said

portion of principal, the share of the installments of the Purchase Price denominated as interest coming due during the six month period (or portion thereof) immediately preceding each of such dates; provided that the first installment shall be for interest from the date of initial execution and delivery to July 1, 2017. Said installments designated as interest are the result of the multiplication of the aforesaid portion of such installments designated as principal by the rate per annum set forth above.

Principal of and premium, if any, and interest on this obligation are payable in lawful money of the United States of America that on the date of payment thereof is legal tender for the payment of public and private debts. The portion of the installments of the Purchase Price denominated as principal, redemption premium, if any and interest are payable when due as provided in the Indenture.

This obligation is evidence all of a series, limited in aggregate original principal amount of \$45,000,000 (the "*Series 2017 Obligations*"), which has been executed and delivered under the Indenture and are limited, special revenue obligations, payable solely from the sources (particularly the Purchase Agreement) and in the manner described in the Indenture, in order to acquire certain property comprising a portion of the sewer system of the County. The payments to be made by the County pursuant to the Purchase Agreement are to be in an amount sufficient to make the payments due on the Series 2017 Obligations, and payments by the County under the Purchase Agreement are to be made from, and secured by, a pledge of certain revenues, proceeds and receipts to be derived by the County from such system. Under the restrictions set out in the Purchase Agreement, additional parity obligations have been and may be incurred by the County payable from such sewer revenues. (No additional obligations senior to the Series 2017 Obligations may be incurred by the County payable from such revenues.) For a more complete statement of the provisions made to secure payment of the Series 2017 Obligations, the revenues from and conditions under which this obligation is payable, statements of the terms under which the Purchase Agreement may be modified and the general covenants and provisions pursuant to which this obligation is issued, reference is made to the Indenture.

This obligation shall not constitute a debt of the County, the State of Arizona or any political subdivision thereof within the meaning of any provision of the Constitution or laws of the State of Arizona and shall not constitute or give rise to a pecuniary liability of the County, the State of Arizona or any other political subdivision thereof or a charge against the general credit or taxing powers of any of them. This obligation and the interest on this obligation are enforceable exclusively from the revenues pledged thereto in the Purchase Agreement, and no holder of this obligation shall have the right to compel any exercise of the taxing power of the County to pay this obligation or the interest on this obligation.

Counterparts or copies of the Indenture and the other documents referred to in this obligation are on file at the designated office of the Trustee, and reference is made thereto and to the documents referred to therein for the provisions thereof, including the provisions with respect to the rights, obligations, duties and immunities of the Trustee, the County, and the registered owners of the Series 2017 Obligations under such documents, to all of which the registered owner of this obligation, by acceptance of this obligation, assents.

The Series 2017 Obligations are subject to redemption, in whole or in part on any date on or after February 15, 2027, in any principal amount and in any order of maturity, all as directed by the County, by payment of the principal amount of each Series 2017 Obligation to be redeemed plus interest accrued to the date fixed for redemption, without premium.

The Series 2017 Obligations shall be redeemed on July 1 in the years and in the principal amounts set forth below, at a redemption price equal to the principal amount thereof, without premium, plus the interest accrued to the date of redemption:

<u>Year</u>	<u>Principal Amount</u>
2018	\$2,675,000
2019	2,750,000
2020	2,825,000
2021	2,905,000
2022	2,985,000
2023	3,065,000
2024	3,150,000
2025	3,240,000
2026	3,330,000
2027	3,420,000
2028	3,515,000
2029	3,615,000
2030	3,710,000
2031 (maturity)	3,815,000

Whenever Series 2017 Obligations are purchased, redeemed (other than because of mandatory redemption) or delivered for cancellation, the principal amount represented thereby so retired shall satisfy and be credited against the mandatory prepayment requirements therefor in any order specified by the County.

Notice of redemption shall be mailed as provided in the Indenture.

The registered owner of this obligation shall have no right to enforce the provisions of the Indenture or to institute an action to enforce the covenants thereof, or to take any action with respect to a default of this obligation, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

The Indenture and other documents referred to therein may be modified or amended to the extent permitted by and as provided therein. Certain amendments, modifications or changes that would affect the rights of registered owners of Series 2017 Obligations may be made only with the consent of the registered owner of the Series 2017 Obligations, as provided in the Indenture. Any such consent by the registered owner of this obligation shall be conclusive and binding upon such registered owner and all subsequent registered owners. However, as to certain other amendments that will not materially adversely affect the interests of the registered owners, no consent of any Holder shall be required.

The Series 2017 Obligations are and shall be executed and delivered only in fully registered form. This obligation is transferable by the registered owner of this obligation in person or by his attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided for in the Indenture and upon surrender and cancellation of this obligation. Upon such transfer a new Series 2017 Obligation for the remaining aggregate principal amount payable at maturity will be executed and delivered to the transferee in exchange.

The Trustee may require a registered owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture in connection with any transfer.

The Trustee and any paying agent may treat the registered owner of this obligation as the absolute owner for the purpose of receiving payment as provided in this obligation and for all other purposes and none of them shall be affected by any notice to the contrary.

As used in this obligation, the term “owner” means the person who at the time of nonpayment of a Series 2017 Obligation is entitled under the terms of such Series 2017 Obligation to payment thereof.

It is certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the execution and delivery of this obligation have existed, have happened and have been performed in due form, time and manner as required by law.

IN TESTIMONY WHEREOF, this obligation has been executed and delivered by the Trustee, acting pursuant to the Indenture.

Date:.....

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

By.....
Authorized Representative

EXHIBIT B

ORDER FOR DISBURSEMENT

Pursuant to Section 5.8 of the Series 2017 Obligation Indenture, dated as of February 1, 2017 (the “*Indenture*”), between Pima County, Arizona (the “*County*”), and The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”), the undersigned County Representative (as defined in the Indenture) hereby requests and authorizes the Trustee pursuant to the Indenture, as custodian of the Delivery Costs Fund created by the Indenture, to pay to the County or to the person(s) listed as payee out of the monies deposited in the Delivery Costs Fund the aggregate sum of \$..... to pay such person(s) or to reimburse the County in full for the advances, payments and expenditures made by it.

In connection with the foregoing request and authorization, the undersigned hereby certifies that:

- (a) Each item for which disbursement is requested hereunder is properly payable out of the Delivery Costs Fund and none of these items has formed the basis for any disbursement heretofore made from said Delivery Costs Fund.
- (b) Each such item is or was a necessary Delivery Cost as defined in the Indenture.
- (c) This statement and all exhibits hereto shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection and authority to the Trustee for its actions taken pursuant hereto.
- (d) This statement constitutes approval by the County of the disbursement hereby requested and authorized.

Explanation of this Payment:

Name and Address of Payee:

Account #

Claim to be paid on:

February 9, 2017

.....
Dated

.....
County Representative

THIS OBLIGATION MAY ONLY BE TRANSFERRED BY THE REGISTERED OWNER HEREOF IN ACCORDANCE WITH THE TRANSFER RESTRICTIONS SET FORTH IN ARTICLE II OF THE HEREINAFTER DEFINED INDENTURE

SEWER SYSTEM REVENUE OBLIGATION, SERIES 2017,
EVIDENCING INTEREST OF THE HOLDER HEREOF IN INSTALLMENT
PAYMENTS OF THE PURCHASE PRICE TO BE PAID
BY PIMA COUNTY, ARIZONA, PURSUANT TO A
SERIES 2017 PURCHASE AGREEMENT,
DATED AS OF FEBRUARY 1, 2017
AS ASSIGNED TO
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE

No: R-1

Denomination: \$45,000,000

<u>INTEREST</u> <u>RATE:</u>	<u>MATURITY</u> <u>DATE:</u>	<u>DATED:</u>
2.77%	July 1, 2031	February 9, 2017

REGISTERED OWNER: COMPASS MORTGAGE CORPORATION

PRINCIPAL AMOUNT: FORTY-FIVE MILLION AND 00/100 DOLLARS

The registered owner identified above, or registered assigns, as the registered owner of this Sewer System Revenue Obligation Series 2017 (this "*obligation*"), is the owner of the right to receive the installments of the "Purchase Price" pursuant to that certain Series 2017 Purchase Agreement, dated as of February 1, 2017 (the "*Purchase Agreement*"), by and between The Bank of New York Mellon Trust Company, N.A., a national banking association, authorized to exercise trust powers in the State of Arizona, in its separate capacity as seller (the "*Seller*"), and Pima County, Arizona, a political subdivision of the State of Arizona, as purchaser (the "*County*"), which installments and certain other rights and interests under the Purchase Agreement have been assigned to The Bank of New York Mellon Trust Company, N.A., in its separate capacity as trustee (together with any successor thereto, the "*Trustee*"), pursuant to that certain Series 2017 Obligation Indenture, dated as of February 1, 2017 (the "*Indenture*"), by and between the County and the Trustee.

The registered owner of this obligation is entitled to receive, subject to the terms of the Purchase Agreement, on the maturity date set forth above, the principal amount set forth above, representing the installments of the Purchase Price denominated as principal coming due on the Maturity Date set forth above, and to receive on July 1, 2017, and semiannually on January 1 and July 1 of each year thereafter (each an "*Obligation Payment Date*") until payment in full of said portion of principal, the share of the installments of the Purchase Price denominated as interest coming due during the six month period (or portion thereof) immediately preceding each of such dates; provided that the first installment shall be for interest from the date of initial execution and delivery to July 1, 2017. Said installments designated as interest are the result of the

multiplication of the aforesaid portion of such installments designated as principal by the rate per annum set forth above.

Principal of and premium, if any, and interest on this obligation are payable in lawful money of the United States of America that on the date of payment thereof is legal tender for the payment of public and private debts. The portion of the installments of the Purchase Price denominated as principal, redemption premium, if any and interest are payable when due as provided in the Indenture.

This obligation is evidence all of a series, limited in aggregate original principal amount of \$45,000,000 (the "*Series 2017 Obligations*"), which has been executed and delivered under the Indenture and are limited, special revenue obligations, payable solely from the sources (particularly the Purchase Agreement) and in the manner described in the Indenture, in order to acquire certain property comprising a portion of the sewer system of the County. The payments to be made by the County pursuant to the Purchase Agreement are to be in an amount sufficient to make the payments due on the Series 2017 Obligations, and payments by the County under the Purchase Agreement are to be made from, and secured by, a pledge of certain revenues, proceeds and receipts to be derived by the County from such system. Under the restrictions set out in the Purchase Agreement, additional parity obligations have been and may be incurred by the County payable from such sewer revenues. (No additional obligations senior to the Series 2017 Obligations may be incurred by the County payable from such revenues.) For a more complete statement of the provisions made to secure payment of the Series 2017 Obligations, the revenues from and conditions under which this obligation is payable, statements of the terms under which the Purchase Agreement may be modified and the general covenants and provisions pursuant to which this obligation is issued, reference is made to the Indenture.

This obligation shall not constitute a debt of the County, the State of Arizona or any political subdivision thereof within the meaning of any provision of the Constitution or laws of the State of Arizona and shall not constitute or give rise to a pecuniary liability of the County, the State of Arizona or any other political subdivision thereof or a charge against the general credit or taxing powers of any of them. This obligation and the interest on this obligation are enforceable exclusively from the revenues pledged thereto in the Purchase Agreement, and no holder of this obligation shall have the right to compel any exercise of the taxing power of the County to pay this obligation or the interest on this obligation.

Counterparts or copies of the Indenture and the other documents referred to in this obligation are on file at the designated office of the Trustee, and reference is made thereto and to the documents referred to therein for the provisions thereof, including the provisions with respect to the rights, obligations, duties and immunities of the Trustee, the County, and the registered owners of the Series 2017 Obligations under such documents, to all of which the registered owner of this obligation, by acceptance of this obligation, assents.

The Series 2017 Obligations are subject to redemption, in whole or in part on any date on or after February 15, 2027, in any principal amount and in any order of maturity, all as directed by the County, by payment of the principal amount of each Series 2017 Obligation to be redeemed plus interest accrued to the date fixed for redemption, without premium.

The Series 2017 Obligations shall be redeemed on July 1 in the years and in the principal amounts set forth below, at a redemption price equal to the principal amount thereof, without premium, plus the interest accrued to the date of redemption:

<u>Year</u>	<u>Principal Amount</u>
2018	\$2,675,000
2019	2,750,000
2020	2,825,000
2021	2,905,000
2022	2,985,000
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2029	3,615,000
2030	3,710,000
2031 (maturity)	3,815,000

Whenever Series 2017 Obligations are purchased, redeemed (other than because of mandatory redemption) or delivered for cancellation, the principal amount represented thereby so retired shall satisfy and be credited against the mandatory prepayment requirements therefor in any order specified by the County.

Notice of redemption shall be mailed as provided in the Indenture.

The registered owner of this obligation shall have no right to enforce the provisions of the Indenture or to institute an action to enforce the covenants thereof, or to take any action with respect to a default of this obligation, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

The Indenture and other documents referred to therein may be modified or amended to the extent permitted by and as provided therein. Certain amendments, modifications or changes that would affect the rights of registered owners of Series 2017 Obligations may be made only with the consent of the registered owner of the Series 2017 Obligations, as provided in the Indenture. Any such consent by the registered owner of this obligation shall be conclusive and binding upon such registered owner and all subsequent registered owners. However, as to certain other amendments that will not materially adversely affect the interests of the registered owners, no consent of any Holder shall be required.

The Series 2017 Obligations are and shall be executed and delivered only in fully registered form. This obligation is transferable by the registered owner of this obligation in person or by his attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided for in the Indenture and upon surrender and cancellation of this obligation. Upon such transfer a new Series 2017

Obligation for the remaining aggregate principal amount payable at maturity will be executed and delivered to the transferee in exchange.

The Trustee may require a registered owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture in connection with any transfer.

The Trustee and any paying agent may treat the registered owner of this obligation as the absolute owner for the purpose of receiving payment as provided in this obligation and for all other purposes and none of them shall be affected by any notice to the contrary.

As used in this obligation, the term "owner" means the person who at the time of nonpayment of a Series 2017 Obligation is entitled under the terms of such Series 2017 Obligation to payment thereof.

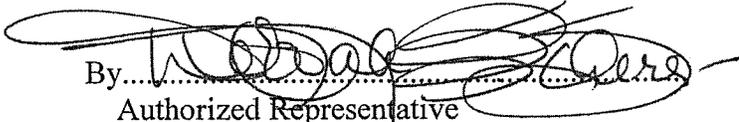
It is certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the execution and delivery of this obligation have existed, have happened and have been performed in due form, time and manner as required by law.

[Remainder of page left blank intentionally.]

IN TESTIMONY WHEREOF, this obligation has been executed and delivered by the Trustee, acting pursuant to the Indenture.

Date: February 9, 2017

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

By.....
Authorized Representative

SPECIMEN

\$45,000,000
SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2017,
Evidencing Interest of the Holders Thereof
in Installment Payments of the Purchase Price to be Paid By
PIMA COUNTY, ARIZONA,
Pursuant to a Series 2017 Purchase Agreement,
Dated as of February 1, 2017

CERTIFICATE ON BEHALF OF THE COUNTY

The undersigned, Finance and Risk Management Director (the “*Finance Director*”) 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 \$45,000,000 aggregate principal amount of Sewer System Revenue Obligations, Series 2017, Evidencing Interest of the Holders Thereof In Installment Payments of the Purchase Price To Be Paid By Pima County, Arizona, Pursuant to a Series 2017 Purchase Agreement, Dated as of February 1, 2017 (the “*Series 2017 Obligations*”), sold and executed and delivered pursuant to Resolution 2016-83, passed, adopted and approved by the Board of Supervisors of the County on December 13, 2016 (the “*Authorizing Resolution*”), authorizing and providing for the sale and execution and delivery of the Series 2017 Obligations, any defined term identified herein by an initial capital letter but not otherwise defined herein having the meaning ascribed to it in the Authorizing Resolution:

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

2. A regular meeting of the Board of Supervisors of the County was duly called, noticed and held on December 13, 2016, in accordance with the laws of the State of Arizona. A copy of the notice and agenda for such meeting are attached hereto as the Exhibit. The Authorizing Resolution included in the transcript of which this Certificate is a part, as executed by the Chair of the Board of Supervisors of the County (the “*Chair*”) and attested by the Clerk, is in the same form and text as the copy of the Authorizing Resolution that was before and adopted by the Board of Supervisors of the County at the meeting of December 13, 2016.

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

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

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

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

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

5. The County is a political subdivision of the State of Arizona duly created and validly existing pursuant to the Constitution and laws of the State of Arizona and had, and has, full legal right, power and authority to (i) adopt, execute and deliver, or cause the adoption, execution and delivery of, as appropriate, the Authorizing Resolution, the Series 2017 Obligations, the Series 2017 Obligation Indenture, the Series 2017 Purchase Agreement and the Placement Agreement (with the Authorizing Resolution, the Series 2017 Obligation Indenture and the Series 2017 Purchase Agreement, collectively, the “*Documents*”), from the County, and all the other documents, instruments and certificates contemplated therein and (ii) carry out the transactions contemplated by the Documents.

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

7. All representations and warranties of the County contained in the Documents are true, correct and complete in all material respects as of the date hereof, and the County has satisfied and performed all of the conditions and agreements required in the Documents to be satisfied or performed by the County at or prior to this date in connection with the sale and execution and delivery of the Series 2017 Obligations in the manner and with the effect contemplated in the Documents, and, as of the date hereof, to the best of our knowledge,

no default or event of default has occurred, nor has any event occurred which, with the giving of notice or the passage of time, or both, will constitute a default or an event of default with respect to the Documents.

8. Except as described in the opinion of the County Attorney being delivered on the date hereof, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the best of our knowledge, threatened against the County, (i) affecting the existence of the County or the title of its officers to their respective offices, (ii) affecting or seeking to prohibit, restrain or enjoin the sale or execution and delivery of the Series 2017 Obligations, the application of the proceeds thereof, or the right to set rates and collect the Pledged Revenues (as defined in the Series 2017 Purchase Agreement) or the pledge of and lien on the Pledged Revenues, funds and accounts pursuant to the Authorizing Resolution, (iii) in any way contesting or affecting, as to the County, the validity or enforceability of the Series 2017 Obligations or the Documents, (iv) contesting the tax-exempt status of interest with respect to the Series 2017 Obligations or (v) contesting the powers of the County or any authority for the sale or execution and delivery of the Series 2017 Obligations, the adoption of the Authorizing Resolution or the execution and delivery by the County of the Documents (other than the Authorizing Resolution), nor, to the best of our knowledge, is there any basis for any such action, suit, proceeding, inquiry or investigation wherein an unfavorable decision, ruling or finding would materially adversely affect the authorization, execution, delivery or performance by the County of the Series 2017 Obligations or the Documents, or have a material adverse effect upon the financial condition of the County or its operations.

9. The County is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default would materially and adversely affect the existence or operation of the County or its properties or the sale, execution, delivery, receipt and performance, as applicable, of the Series 2017 Obligations, the Documents or the other agreements contemplated thereby.

10. To the best of our knowledge, no public officer or employee of the County has been compensated or will be compensated for acting as such in connection with the sale and execution and delivery of the Series 2017 Obligations, except that they may be reimbursed for their actual expenses incurred in the performance of their duties as such officers or employees of the County, and no officer or employee of the County, or relative of such officer, or employee, has any "substantial interest" (as defined in Section 38-502 of the Arizona Revised Statutes) in any of the transactions contemplated by the Documents.

11. The Series 2017 Obligations are payable solely from a pledge of, and are secured by a first lien on, the Pledged Revenues, on a parity of lien with the following obligations: \$73,505,000 aggregate outstanding amount of the County's Sewer System Revenue Obligations, Series 2010 (the "*2010 Obligations*"), \$72,270,000 aggregate outstanding amount of the County's Sewer System Revenue Obligations, Series 2011B (the "*2011 Obligations*"), \$103,910,000 aggregate outstanding amount of the County's Sewer System Revenue Obligations, Series 2012A (the "*2012 Obligations*"), \$43,320,000 aggregate outstanding amount of the County's Sewer System Revenue Obligations, Series 2014 (the "*2014 Obligations*"), and

\$211,595,000 aggregate outstanding amount of the County's Sewer System Revenue Refunding Obligations, Series 2016 (the "2016 Obligations"), and additional bonds or obligations hereafter issued or incurred on a parity therewith as provided in the Series 2017 Purchase Agreement, and the Pledged Revenues have not been pledged or hypothecated in any manner or for any purpose, and except for the 2010 Obligations, the 2011 Obligations, the 2012 Obligations, the 2014 Obligations and the 2016 Obligations, there are no bonds, judgments, notes, certificate or indebtedness of any kind or character whatsoever outstanding payable from such Pledged Revenues. There is not any Indenture Event of Default (as such term and all other undefined terms used in this sentence are defined in the Series 2017 Purchase Agreement) or Purchase Event of Default, and the Pledged Revenues for the completed Fiscal Year immediately preceding the incurrence of the Series 2017 Obligations have been at least equal to 120 percent of the Parity Lien Test Debt Service, including the Series 2017 Obligations.

12. The County has not in the last ten years defaulted or not appropriated on its material financial obligations.

13. There has been no material adverse change in the financial condition of the County since June 30, 2016.

[Signature page follows.]

Dated: February 9, 2017



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



.....
Julie Castañeda
Clerk, Board of Supervisors

ATTACHMENT: Exhibit – Notice and Agenda for December 13, 2016, Meeting

EXHIBIT

Notice and Agenda for December 13, 2016, Meeting



Pima County

Meeting Agenda

Board of Supervisors

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

Tuesday, December 13, 2016

9:00 AM

Board of Supervisors' Hearing Room

PIMA COUNTY BOARD OF SUPERVISORS

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

AGENDA/ADDENDUM AND BROADCAST INFORMATION

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

PUBLIC PARTICIPATION SPEAKERS ARE LIMITED TO 3 MINUTES

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

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

HEARING ROOM NOTICE

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

ACCESSIBILITY

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

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

1. ROLL CALL

2. INVOCATION

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

3. PLEDGE OF ALLEGIANCE

4. PAUSE 4 PAWS

PRESENTATION

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

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

7. CALL TO THE PUBLIC

EXECUTIVE SESSION

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

BOARD OF SUPERVISORS SITTING AS OTHER BOARDS

FLOOD CONTROL DISTRICT BOARD

8. Variance Request

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

Attachments: [FC_SilverStarDriveVarianceRequest](#)

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

STADIUM DISTRICT BOARD

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

SITTING AS THE BOARD OF SUPERVISORS

12. APPROVAL OF CONSENT CALENDAR

COUNTY ADMINISTRATOR

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

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

Attachments: [CA_MemorandumMikeJacobSportsparkOperatingAgreement_Part1](#)
[CA_MemorandumMikeJacobSportsparkOperatingAgreement_Part2](#)
[CA_MikeJacobSportsparkOperatingAgreement_ChampionshipSportsLetter_11-](#)
[CA_MikeJacobSportsparkOperatingAgreement_CalltothePublicCommentLetter](#)
[CA_MikeJacobSportspark_NRPRMemorandum_12-2-16](#)
[CA_MikeJacobSportspark-ChampionshipSportsResponsiveMemoandProposal](#)

14. Amendment to Administrative Procedure 54-2, Acquisition and Disposition of Real Property

RESOLUTION NO. 2016 - **82**, of the Board of Supervisors, authorizing the amendment of Pima County Administrative Procedure 54-2.

Attachments: [CA_ResoProcedure54-2](#)

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

Staff recommends approval of the following actions:

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

Attachments: [CA_ArizonaBowlSponsorship](#)

FINANCE AND RISK MANAGEMENT

16. Sewer Revenue Obligations

RESOLUTION NO. 2016 - **83**, of the Board of Supervisors, authorizing the Chair of the Board of Supervisors, the County Administrator and the Finance Director to cause the sale and execution and delivery pursuant to a Series 2017 Obligation Indenture of Sewer System Revenue Obligations, Series 2017, in an aggregate principal amount not in excess of \$45,000,000.00, evidencing proportionate interests of the holders thereof in installment payments of the purchase price to be paid by Pima County, Arizona, pursuant to a Series 2017 purchase agreement; authorizing the completion, execution and delivery with respect thereto of all agreements necessary or appropriate as part of purchasing property to be part of the sewer system of the County and payment of related financing costs including the delegation to the Chair of the Board of Supervisors, the County Administrator and the Finance

Director of certain authority with respect thereto; authorizing, if necessary, the preparation and delivery of an official statement with respect to such Series 2017 Obligations; ordering the sale of such Series 2017 Obligations; authorizing, if necessary, the execution and delivery of a continuing disclosure undertaking with respect to such Series 2017 Obligations; and authorizing the Finance Director to expend all necessary funds therefor.

Attachments: [FN_ResoSewerObligationBonds](#)

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

17.

General Obligation Bonds

RESOLUTION NO. 2016 - ~~84~~, of the Board of Supervisors, for the issuance and sale of not to exceed \$25,681,000.00, Pima County, Arizona, General Obligation Bonds, Series 2017, in one or more series; providing for the annual levy of a tax for the payment of the bonds; providing terms, covenants and conditions concerning the bonds; accepting a proposal for the purchase of the bonds; appointing an initial registrar and paying agent for the bonds; and approving and ratifying all actions taken in furtherance of this resolution.

Attachments: [FN_ResoGeneralObligationBonds](#)

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

PROCUREMENT

18.

UNFINISHED BUSINESS (11/22/16)

Award

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

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

REGIONAL WASTEWATER RECLAMATION

19.

UNFINISHED BUSINESS (10/18/16)

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

Attachments: [CTN-WW-17-64](#)

[CTN-WW-17-64 CommentLetter 10-17-16](#)

[CTN-WW-17-64 CommentLetter2 10-17-16](#)

[CTN-WW-17-64 CommentLetters 10-18-16](#)

[CT-WW-17-64 CAMemorandum 12-13-16](#)

[CTN-WW-17-64 CommentLetters 12-9-16](#)

[CTN-WW-17-64 CommentLetter TucsonMountainsAssociation 12-12-16](#)

ASSESSOR

20.

Request for Redemption of Waiver of Exemption

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

Attachments: [AS_RedemptionofWaiverofExemption](#)

*** HEARINGS ***

FRANCHISE/LICENSE/PERMIT

21.

Hearing - Liquor License

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

Attachments: [FLP_LLCircleKStoreNo.3493](#)

22.

Hearing - Agent Change/Acquisition of Control/Restructure

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

Attachments: [FLP_ACLaPosadaLodge&Casitas](#)

23.

Hearing - Fireworks Permit

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

Attachments: [FLP_FWSkylineCountryClub](#)

DEVELOPMENT SERVICES

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

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

25. UNFINISHED BUSINESS (11/22/16)
Hearing - Rezoning
Co9-15-005, JT RP, L.L.C. - EAST EAGLE FEATHER ROAD
(EASEMENT) REZONING
Request by JT RP, L.L.C., represented by Brent Davis, for a rezoning of approximately 3.81 acres from SR (Suburban Ranch) zone to CR-1 (Single Residence) zone on property located approximately 800 feet east of Bear Canyon Road on the south side of East Eagle Feather Road (Easement). The proposed rezoning conforms to the Pima County Comprehensive Plan (Co7-00-20). On motion, the Planning and Zoning Commission voted 6-2 (Commissioners Cook and Membrila were absent) to recommend **DENIAL**. Staff recommends **APPROVAL SUBJECT TO STANDARD AND SPECIAL CONDITIONS**. (District 4)
Attachments: [DSD_Co9-15-005](#)
[DSD_Co9-15-005_CommentLetter_11-18-16](#)
[DSD_Co9-15-005_CommentLetter_11-18-16_2](#)
[DSD_Co9-15-005_CommentLetters_11-21-16](#)
[DSD_Co9-15-005_CalltothePublicCommentLetters_11-22-16](#)
[DSD_Co9-15-005_ContinuationLetter](#)
[DSD_Co9-15-005_ProtestCalculationMemo_12-12-16](#)
26. **Hearing - Type III Conditional Use Permit Communication Tower**
P16CU00009 BORDERLAND INVESTMENTS I, L.L.C. - S. CAMINO DEL SOL
Request of Wireless Policy Group, L.L.C., on property located at 4530 S. Camino Del Sol, in the RH Zone, for a conditional use permit for a communication tower, in accordance with Section 18.07.030H2e of the Pima County Zoning Code as a Type III conditional use permit. The Hearing Administrator recommends **APPROVAL SUBJECT TO STANDARD AND SPECIAL CONDITIONS**. (District 4)
Attachments: [DSD_P16CU00009](#)
[DSD_P16CU00009_CommentLetters](#)
[DSD_P16CU00009_CommentLetters-12-8-16](#)
[DSD_P16CU00009_CommentLetters_12-12-16](#)
[DSD_P16CU00009_CommentLetters2_12-12-16](#)
27. **Hearing - Hillside Development Overlay Zone Special Use Permit**
P16SA00013 BADILLA - W. SAENZ DRIVE HILLSIDE DEVELOPMENT OVERLAY ZONE SPECIAL USE PERMIT
Ely Badilla, represented by Settlers West Home Builder, L.L.C., requests a Special Use Permit in the Hillside Development Overlay Zone (HDZ) to construct a single residence, pool, and driveway within a designated HDZ Level One protected ridge area on Lot 14 of the Lomas Saenz No. 2 subdivision. Most of Lot 14 lies within the protected ridge area. The Pima County Zoning Code Section 18.61.041(A)(1) prohibits

development within the protected area of a level one peak or ridge except with a special use permit which may be granted by the Pima County Board of Supervisors as set forth in Section 18.61.042(A). The subject lot is approximately .95 acres zoned SH(BZ)(PR-1) (Suburban Homestead-Buffer Overlay Zone-Protected Peaks and Ridges, Level 1) and is located on the south side of the terminus of W. Saenz Drive, approximately 1,600 feet northwest of the intersection of W. Irvington Place and S. San Joaquin Avenue. Staff recommends **APPROVAL SUBJECT TO CONDITIONS**. (District 5)

Attachments: [DSD P16SA00013](#)

28.

Hearing - Modification (Substantial Change) of Specific Plan

Co23-04-01 SWAN SOUTHLANDS SPECIFIC PLAN

Request of South Wilmot Land Investors, L.L.C., represented by LVA

Urban Design Studio, L.L.C., for a Modification (Substantial Changes and Non-substantial Changes) of certain features of the Swan

Southlands Specific Plan. The modification of these features of the specific plan will, at a minimum, require modification (Substantial and Non-substantial Changes) of Rezoning Condition Nos. 6, 8, 10, 12, 15(A - F), 16(A - I), 18(B), 18(D), 18(H)(3), 21, 22, and 24(A-B) of Ordinance 2005-2 as modified by Resolution 2011-38.

The requested Modification of the features of the Specific Plan includes:

1. Waiver of acreage and floor area limits for non-residential (commercial and industrial) uses.
2. Addition of a Non-Residential/Employment Uses Option allowing the options of the CB-2 (General Business), CI-1 (Light Industrial/Warehousing), and CI-2 (General Industrial) zones with uses and standards for these zones as provided per the Pima County Zoning Code and including additional minimum performance and development standards.
3. Addition of a formula for reductions to the minimum and maximum residential unit count exchanged for Non-Residential/Employment Uses in excess of 271 acres, while maintaining a minimum of 1,000 residential units.
4. Deletion of "Identity Districts", which are sub-areas of the Specific Plan containing multiple sub-district development parcels. Specific requirements and conditions for each identity district would be waived, including the requirement for a block subdivision plat for each development parcel.
5. Modification of the approved preliminary development plan to allow:
 - a. Deletion of Identity Districts;
 - b. Locations, configurations, and acreage of zoning districts shown to be made conceptual and subject to change by the Master Developer;
 - c. Locations of roads shown to be made conceptual and subject to change as approved by the Pima County Department of Transportation;
 - d. Natural Open Space configuration and acreages shown to be made conceptual and subject to change as determined by adherence to Pima County codes; and
 - e. Deletion of Wastewater Collection, Conveyance & Treatment Facility Study Areas.
6. Modification of Table 3 (Final Density Table) and Table 3B (Sub-District Site Data (Block Plat)) to be made conceptual and subject to change by the Master Developer pertaining to parcels, density ranges, and targets, including deletion of minimum and maximum residential unit counts within each development parcel.
7. Waiver of requirements for Important Riparian Area protection and addition of a requirement to comply with Pima County Code Title 16.30, Watercourse and Riparian Habitat Protection and Mitigation Requirements.

8. Waiver of requirements for a wastewater collection, conveyance, and treatment facility, including donation of land for a treatment facility, and addition of a provision that sewer be served by the planned southeast sewer expansion.
9. Waiver of requirements for hydrology and floodplain management, including a Master Drainage Study and Watershed Master Plan, and addition of a requirement to comply with Pima County Code Title 16 Floodplain Management Ordinance and the provisions of the Lee Moore Wash Basin Management Study.
10. Waiver of requirements pertaining to the Affordable Housing Policy. The policy has been rescinded by Pima County.
11. Addition of a provision allowing the timing and scope of Master Studies and Technical Reports to be determined by County department and agency officials based on the scope and potential impacts of development projects to infrastructure capacities and requirements.
12. Waiver of cut and fill requirements and addition of a provision that all grading requirements comply with applicable Pima County codes.
13. Waiver of requirements for specified minimum parkland acreage, including a 31-acre community park and addition of a provision that per the approved Recreational Area Plan, the required number, acreage, location, and amenities of parks and trails will be adjusted as the project is developed based upon the amount and type of residential development. Also, pocket parks exceeding 5,000 square feet in size shall be counted toward the requirement of providing 871 square feet of recreational amenities per single family residential unit.
14. Modification of certain Administrative Modification provisions, including: a) Deletion of the 20% maximum allowance for changes in configuration of development parcels and addition of administrative changes to the zones of those parcels; b) Addition of administrative changes to roadway alignments; c) Addition of administrative waiver of a block plat for an individual development project; d) Deletion of the 10% maximum transfer of commercial/mixed use square footage from one mixed use parcel to another; and e) Addition of modifications to the alignment and location of infrastructure in addition to the design and construction of infrastructure based upon changing conditions.
15. Addition of a provision for the Annual Administrative Monitoring Report to track residential development to ensure the range of required residential units will be met.

The modifications of rezoning conditions include:

1. Modification of Condition No.6 which, in part, requires no subdividing or lot splitting without the written approval of the Board of Supervisors to allow the requirement to apply only to lot splits for single-family residential development.
2. Modification of Condition No.8 which states, "Adherence to the specific plan document and preliminary development plan as approved at public hearing." to allow the preliminary development plan to be made conceptual and allow deletion of Identity Districts and of Wastewater Collection, Conveyance & Treatment Facility Study Areas.
3. Waiver of Condition No.10 which requires approximately 25 percent of revenues raised by implementation of the Affordable Housing Policy to meet goals for affordable housing within the project.
4. Modification of Condition No.12 which requires, in part, approval of a block subdivision plat for each of the Identity Districts or sub-districts as shown in the Specific Plan to allow a maximum of five block subdivision plats, generally defined by a section of land.
5. Modification or waiver of Condition No.15(A - F), No. 21, and No. 22 pertaining to Flood Control District requirements to update requirements for current floodplains, including riparian areas.
6. Modification or waiver of Condition No. 16(A - I) pertaining to Wastewater Management Department requirements to update requirements for current sewer service plans that exclude the option for an on-site wastewater treatment facility.
7. Modification of Condition No. 18(B) which, in part, requires provision for a minimum

- of 202.88 acres of parkland based on target densities to allow provision of parkland in accordance with the approved Recreation Area Plan based upon the amount and type of residential development within the specific plan.
8. Modification of Condition No. 18(D) which, in part, requires, provision of a minimum of one recreation area/park based upon an approved Recreational Area Plan within each residential development parcel per Table 3 of the specific plan to allow provision of parkland in accordance with the approved Recreation Area Plan based upon the amount and type of residential development within the specific plan.
 9. Waiver of Condition No. 18(H)(3) which requires provision of a 31-acre land conveyance for a community park located in District "C".
 10. Waiver of Condition No. 24(A-B) pertaining to Pima pineapple cactus study, survey, preservation, and mitigation to allow for preservation and mitigation for Pima pineapple cactus per the Pima County Zoning Code, Chapter 18.72, Native Plan Preservation.

The subject site is approximately 3,062 acres of the original 3,184-acre specific plan zoned SP (Swan Southlands Specific Plan, excluding Tax Parcel 303-09-002Z) and is located generally between S. Swan Road and S. Wilmot Road and approximately one mile south of E. Old Vail Connection Road in Sections 10 (portion), 12 (portion), 13, 14, and 15, T16S, R14E. On motion, the Planning and Zoning Commission voted 8-0 (Commissioners Mangold and Gavin were absent) to recommend **APPROVAL SUBJECT TO REVISED CONDITIONS**. Staff recommends **APPROVAL SUBJECT TO REVISED CONDITIONS**. (District 2)

Attachments: [DSD Co23-04-01 Part1](#)

[DSD Co23-04-01 Part2](#)

[DSD Co23-04-01 Part3](#)

[DSD Co23-04-01 Part4](#)

29. **Hearing - Rezoning Ordinance**
ORDINANCE NO. 2016 - **64**, Co9-15-04, Landmark Title TR 18109 - W. Sunset Road Rezoning. Owners: Landmark Title TR 18109/Kai Sunset 80 Property, L.L.C. (District 1)
Attachments: [DSD OrdCo9-15-04](#)
30. **Hearing - Rezoning Ordinance**
ORDINANCE NO. 2016 - **65**, P16RZ00001, Huebner 50%, et. al - N. La Cholla Boulevard Rezoning. Owners: Huebner 50% & Markland Investments, L.L.C. 50% (District 1)
Attachments: [DSD OrdP16RZ00001](#)
31. **Hearing - Rezoning Ordinance**
ORDINANCE NO. 2016 - **66**, P16RZ00005, Whisper Canyon Holdings, L.L.C. - W. Hardy Road Rezoning. Owner: Whisper Canyon Holdings, L.L.C. (District 1)
Attachments: [DSD OrdP16RZ00005](#)

TRANSPORTATION

- 32. Hearing - Traffic Ordinance**
ORDINANCE NO. 2016 - 67, of the Board of Supervisors, regulating parking on portions of Summit Street in Pima County, Arizona. Staff recommends **APPROVAL**. (District 2)
Attachments: [TR_OrdSummitStreetParking](#)
- 33. Hearing - Traffic Ordinance**
ORDINANCE NO. 2016 - 68, of the Board of Supervisors, for installation of an abutting school crosswalk on Summit Street east of Vanessa Lane in Pima County, Arizona. Staff recommends **APPROVAL**. (District 2)
Attachments: [TR_OrdSummitStreetCrosswalk](#)

REGIONAL WASTEWATER RECLAMATION

- 34. Hearing - Code Text Amendment**
ORDINANCE NO. 2016 - 69, of the Board of Supervisors, relating to wastewater; amending Pima County Code, Title 13, Chapter 24, Sanitary Sewer User Fees. (All Districts)
Attachments: [WW_OrdCodeTextAmendment_Title13](#)

35. ADJOURNMENT

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

Pima County Homepage: www.pima.gov

DATE/TIME POSTED: 12/7/16 @ 3:00 p.m.

DATE/TIME REPOSTED (additional attachments only): 12/8/16 @ 5:00 p.m.

DATE/TIME REPOSTED (additional attachments only): 12/9/16 @ 4:15 p.m.

DATE/TIME REPOSTED (additional attachments only): 12/12/16 @ 11:30 a.m.

DATE/TIME REPOSTED (combined Agenda/Addendum and additional attachments): 12/12/16 @ 5:00 p.m.

DATE/TIME REPOSTED (additional attachments only): 12/13/16 @ 4:30 p.m.

DATE/TIME REPOSTED (additional attachments only): 12/14/16 @ 9:00 a.m.

ADDENDUM 1**PRESENTATION**

1. Presentation by Kelly Fryer and Bryan Davis, Co-Chairs of the Southern Arizona Hate Crimes Task Force, asking the Board of Supervisors to declare Pima County part of the We Stand Together network.

Attachments: [Pres_SouthernArizonaHateCrimesTaskForce](#)

PRESENTATION/PROCLAMATION

2. Presentation of a proclamation to Brent DeRaad, CEO of Visit Tucson and NOVA Home Loans Arizona Bowl Board Member, proclaiming the week of December 26 through 30, 2016 to be: "NOVA HOME LOANS ARIZONA BOWL WEEK"

Attachments: [PROC_NOVAHomeLoansArizonaBowlWeek](#)

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

3. **Contract**
Green Valley Community Coordinating Council, Inc., d.b.a. Green Valley Council, Amendment No. 1, to provide for Green Valley Council services, extend contract term to 12/31/17 and amend contractual language, DOT (30%), RWRD (20%), RFCD (10%), DEQ (15%), Health (15%), and DSD (10%) Funds, contract amount \$75,000.00 (CT-PW-16-180)

Attachments: [CT-PW-16-180](#)

SITTING AS THE BOARD OF SUPERVISORS**CONTRACT AND AWARD****COUNTY ADMINISTRATOR**

4. Vector Launch, Inc., to provide a Ground Lease on County-owned property located in the Aerospace, Defense and Technology Business and Research Park, contract amount \$2,400,000.00 revenue/25 year term (CTN-CA-17-120)

Attachments: [CA_VectorLaunchInc_Memorandum_Part1](#)

[CA_VectorLaunchInc_Memorandum_Part2](#)

[CA_VectorLaunchInc_Memorandum_Part3](#)

[CTN-CA-17-120](#)

5. Rio Nuevo Multipurpose Facilities District, to provide Ground Lease Option Agreements for the following County owned property:
- A. Broadway Boulevard property located on the north side between Scott Avenue and 6th Avenue, contract amount \$100.00 revenue (CTN-CA-17-119)
 - B. Cushing Street property located at the corner of Cushing Street and the I-10 Frontage Road, contract amount \$100.00 revenue (CTN-CA-17-118)

Attachments: [CA_GroundLeaseOptions_Memorandum_Part1](#)
[CA_GroundLeaseOptions_Memorandum_Part2](#)
[CTN-CA-17-119](#)
[CTN_CA-17-118](#)
[CA_GroundLeaseOptions_CushingStreetExhibitA](#)

COUNTY ATTORNEY

6. Mesch, Clark & Rothschild, P.C., Amendment No. 7, to provide legal services regarding the Magee Road Improvements; La Cañada Drive to Oracle, La Cañada Road: River Road to Ina Road and Homer Davis Elementary Transportation Enhancement Projects and amend contractual language, Transportation Non-Bond Project Fund, contract amount \$100,000.00 (CT-TR-15-81)

Attachments: [CT-TR-15-81](#)

FACILITIES MANAGEMENT

7. Daveck Properties, L.L.C., Amendment No. 1, to provide a lease for the Adult Probation West office, located at 3781 N. Highway Drive, Suite 109, extend contract term to 12/31/23 and amend contractual language, General Fund, contract amount \$896,800.00 (CT-SC-17-187)

Attachments: [CT-SC-17-187](#)

8. The Tucson January 8th Memorial Foundation, to provide a Funding Agreement for the design and construction of the January 8th Memorial, contract amount \$5,000,000.00 revenue (CTN-FM-17-121)

Attachments: [CTN-FM-17-121](#)

9. Accelerate Diagnostics, Inc., Amendment No. 7, to provide a lease extension for 3950 S. Country Club Road, 4th Floor, extend contract term to 1/12/18 and amend contractual language, contract amount \$1,050,363.65 revenue (CTN-FM-13-55)

Attachments: [CTN-FM-13-55](#)

PROCUREMENT

10. **Award**
Award of Contract: Master Agreement No. MA-PO-17-118, American Family Life Assurance Company, d.b.a. AFLAC (Headquarters: Columbus, GA), for voluntary employee supplemental insurance benefits. Contract is for an initial term of five (5) years in an amount not-to-exceed \$2,100,000.00 effective 7/1/17 with no renewal options. Funding Source: Employee Contributions. Administering Department: Human Resources.
Attachments: [PO AwardMA-PO-17-118](#)
11. HDR Engineering, Inc., Amendment No. 7, to provide design engineering services for the Valencia Road: Mark Road to Ajo Highway Project (4RTVMW), extend contract term to 3/31/17 and amend contractual language, no cost (CT-TR-11023557-P) Transportation
Attachments: [CT-TR-11023557-P](#)
12. Borderland Construction Company, Inc., Granite Construction Company, Inc., KE&G Construction, Inc., Markham Contracting Company, Inc., and Southern Arizona Paving and Construction Company, to provide a job order master agreement for traffic signal, road intersection, paving and drainage improvements, HURF Fund, contract amount \$3,000,000.00 (MA-PO-17-117) Transportation
Attachments: [MA-PO-17-117](#)

PUBLIC WORKS ADMINISTRATION

13. Green Valley Community Coordinating Council, Inc., d.b.a. Green Valley Council, Amendment No. 1, to provide for Green Valley Council services, extend contract term to 12/31/17 and amend contractual language, DOT (30%), RWRD (20%), RFCD (10%), DEQ (15%), Health (15%), and DSD (10%) Funds, contract amount \$75,000.00 (CT-PW-16-180)
Attachments: [CT-PW-16-180](#)

REAL PROPERTY

14. United States Air Force, to provide a Grant of Easement for the Davis-Monthan Land Metering Station located in Sections 22 and 27, T14S, R14E, G&SRM, Pima County, Arizona, \$25.00/25 year term (CT-PW-16-257)
Attachments: [CT-PW-16-257](#)

15. Rillito Park Foundation, Amendment No. 1, to provide an operating agreement for the Historic J. Rukin Jelks House and amend contractual language, no cost (CTN-PW-13-300)
Attachments: [CTN-PW-13-300](#)
16. Friends of Robles Ranch, d.b.a. My Friend's Closet, Amendment No. 1, to provide for the operation and distribution of clothing and household goods, extend contract term to 12/31/17 and amend contractual language, no cost (CTN-PW-16-31)
Attachments: [CTN-PW-16-31](#)

TRANSPORTATION

17. Vail Unified School District, Amendment No. 1, to provide for the design and construction of the Colossal Cave Road: Acacia Elementary School to Old Vail Middle School Project (4RTCCS), extend contract term to 12/28/18 and amend contractual language, contract amount \$42,975.00 revenue (CTN-TR-16-11)
Attachments: [CTN-TR-16-11](#)
18. City of Tucson, to provide for the Cooperative Public Highway, Road and Street (Roadways) and Intersection Inter-Jurisdictional Maintenance Project, no cost/20 year term (CTN-TR-17-106)
Attachments: [CTN-TR-17-106](#)
19. City of Tucson, Amendment No. 2, to provide Joint Administration of Public Works Capital Improvement Construction Projects and Personnel Balancing Services, extend contract term to 5/31/17 and amend contractual language, no cost (CT-TR-12-1706)
Attachments: [CT-TR-12-1706](#)
20. Pima Association of Governments, to provide for the Old Spanish Trail and Cactus Forest Drive Projects, contract amount \$411,000.00 estimated revenue (CTN-TR-17-113)
Attachments: [CTN-TR-17-113](#)
21. Pima Association of Governments, to provide durable pavement markings, contract amount \$625,000.00 estimated revenue (CTN-TR-17-112)
Attachments: [CT-TR-17-112](#)

GRANT APPLICATION/ACCEPTANCE

22. **Acceptance - Health**
American Society for the Prevention of Cruelty to Animals (ASPCA), to provide for humane and lifesaving response to illness outbreak, \$3,000.00 (GTAW 17-51)
Attachments: [GTAW 17-51](#)
23. **Acceptance - Community Services, Employment and Training**
United Way, to provide for the Emergency Food and Shelter Program, Federal Emergency Management Agency Fund, \$148,575.00 (GTAW 17-52)
Attachments: [GTAW 17-52](#)
24. **Acceptance - Health**
American Society for the Prevention of Cruelty to Animals (ASPCA), to provide for the Keep Families Together Pet Retention Program, \$50,000.00 (GTAW 17-50)
Attachments: [GTAW 17-50](#)

BOARD, COMMISSION AND/OR COMMITTEE

25. **Metropolitan Education Commission**
- Reappointment of Patrick Derrig, representing MEC Youth Advisory Council/Tucson Teen Congress. Term expiration: 11/12/19. (Commission recommendation)
 - Reappointment of Deborah Embry, representing African American Community. Term expiration: 5/16/19. (Commission recommendation)
- Attachments:* [BCC_MetroEducationCommReappt-Derrig](#)
[BCC_MetroEducationCommReappt-Embry](#)

PROCLAMATION

26. Proclamation declaring February 2, 2017 to be:
"MOST REVEREND GERALD F. KICANAS, D.D., BISHOP OF TUCSON DAY"
Attachments: [PROC_MostReverendKicanas](#)

***** HEARINGS *******PROCUREMENT**

27. **Hearing - Appeal of the Procurement Director's Decision**
Pursuant to Pima County Code 11.20.010(J), DeConcini McDonald Yetwin & Lacy, P.C., appeals the decision of the Procurement Director regarding Solicitation No. 228614, Merit System Legal Representation.

Attachments: [PO Appeal Solicitation No. 228614](#)

[PO Appeal Solicitation No. 228614 AdditionalMaterial](#)

[PO Appeal Solicitation No. 228614 AdditionalMaterial2](#)

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

Pima County Homepage: www.pima.gov

DATE/TIME POSTED: 12/9/16 @ 1:00 p.m.

DATE/TIME REPOSTED (additional attachments only): 12/12/16 @ 11:30 a.m.

**CONSENT
CALENDAR
DECEMBER 13, 2016**

CONSENT CALENDAR, DECEMBER 13, 2016**CONTRACT AND AWARD****Community Development and Neighborhood Conservation**

1. City of Tucson, to provide for Country Glenn Neighborhood Association Treat Road Improvements, 2004 Bond Fund, contract amount \$191,300.00 (CT-CD-17-149)
Attachments: [CT-CD-17-149](#)
2. City of South Tucson, to provide for the City of South Tucson Land and Pedestrian Safety Project, no cost (CTN-CD-17-103)
Attachments: [CTN-CD-17-103](#)
3. YWCA Southern Arizona, to provide for the Women's Counseling Network Program, Board of Supervisors Contingency Fund, contract amount \$18,000.00 (CT-CD-17-203)
Attachments: [CT-CD-17-203](#)
4. YWCA Southern Arizona, to provide for the House of Neighborly Service Program, Board of Supervisors Contingency Fund, contract amount \$32,500.00 (CT-CD-17-202)
Attachments: [CT-CD-17-202](#)
5. Pima County Community Land Trust, to provide for the Ontario Rental Housing Project, 2004 Bond Fund, contract amount \$400,000.00 (CT-CD-17-197)
Attachments: [CT-CD-17-197](#)
6. Pima County Community Land Trust, to provide for the Sonora Rental Housing Project, 2004 Bond Fund, contract amount \$100,000.00 (CT-CD-17-201)
Attachments: [CT-CD-17-201](#)
7. Epidaurus, d.b.a. Amity Foundation, Amendment No. 2, to provide for the Dragonfly Village Project, extend contract term to 3/25/45 and amend contractual language, no cost (CT-CD-13-662)
Attachments: [CT-CD-13-662](#)
8. TMM Family Services, Inc., to provide for the TMM Family Services Senior and Veteran Rental Housing Project, 2004 Bond Fund, contract amount \$545,000.00 (CT-CD-17-195)
Attachments: [CT-CD-17-195](#)

Community Services, Employment and Training

9. Jose Gabriel Loyola, d.b.a. Loyola Associates, to provide consultant and technical assistance for workforce programs, USDOL and ADES Funds, contract amount \$39,600.00 (CT-CS-17-196)
Attachments: [CT-CS-17-196](#)
10. Goodwill Industries of Southern Arizona, Inc., Amendment No. 1, to provide Workforce Development Services in the ARIZONA@WORK - Workshops, amend contractual language and scope of work, WIOA, ADES, Pima County Community College Health Profession Opportunity Grant and General (\$25,000.00) Funds, contract amount \$33,350.00 (CT-CS-16-309)
Attachments: [CT-CS-16-309](#)

Constables

11. Constable's Ethics, Standards and Training Board, to provide vests, gear and uniforms, contract amount \$6,143.51 revenue (CTN-CO-17-77)
Attachments: [CTN-CO-17-77](#)
12. Constable's Ethics, Standards and Training Board, to provide laptops, contract amount \$7,635.35 revenue (CTN-CO-17-76)
Attachments: [CTN-CO-17-76](#)

County Administrator

13. City of Tucson, to provide licensing and maintenance for the Executive Pulse Customer Relations System, General Fund, contract amount \$37,522.50/5 year term (CT-CA-17-213)
Attachments: [CT-CA-17-213](#)

Elections

14. Town of Marana, to provide election services, contract amount estimated \$56,000.00 revenue/5 year term (CTN-EL-17-108)
Attachments: [CTN-EL-17-108](#)

Public Works Administration

15. Rillito Racing, Inc., Amendment No. 2, to provide for the non-exclusive operation of Rillito Racetrack, extend contract term to 6/30/21 and amend contractual language, contract amount \$956,000.00 revenue (CT-ED-14-537)

Attachments: [CT-ED-14-537](#)

[CT-ED-14-537_CAMemorandum_12-13-16](#)

Real Property

16. Fidelity National Title Agency, Inc., as Trustee under Trust No. 60230, to provide for the acceptance for an Agreement to Donate Land for Davis-Monthan Air Force Base Approach and Departure Corridor of 7.83 acres of undeveloped land and a special warranty deed located in the area of S. Kolb and W. Valencia Road, Tax Parcel Nos. 141-03-0880, 0890, 090A, 091A, 123A, and 1240, General Fund, contract amount not to exceed \$11,500.00 (CT-PW-17-206)

Attachments: [CT-PW-17-206](#)

17. Alexander Lee Duquette and Setareh Duquette, to provide for the First Avenue and Ina Road/Agreement to Donate Real Property and a Special Warranty Deed located in Section 31, T12S, R14E, G&SRM, Tax Parcel No. 220-17-0120, General Fund, contract amount \$3,300.00 for closing costs (CT-PW-17-199)

Attachments: [CT-PW-17-199](#)

GRANT APPLICATION/ACCEPTANCE

18. **Acceptance - Health**
Arizona Companion Animal Spay/Neuter Committee, to provide Community Cat Sterilization Surgeries, \$5,000.00 (GTAW 17-43)
Attachments: [GR GTAW-17-43](#)
19. **Acceptance - Health**
American Society for the Prevention of Cruelty to Animals (ASPCA), to provide Animal Cruelty Investigator Training, \$2,500.00 (GTAW 17-45)
Attachments: [GR GTAW-17-45](#)
20. **Acceptance - Health**
American Society for the Prevention of Cruelty to Animals (ASPCA), to provide supplies for the Field Return to Owner Pilot Program, \$5,000.00 (GTAW 17-48)
Attachments: [GR GTAW-17-48](#)

21. **Acceptance - Community Services, Employment and Training**
Pima Community College, Amendment No. 1, to provide for the Arizona Aviation, Mining, and Manufacturing Program and amend contractual language, no cost (GTAM 17-29)
Attachments: [GR GTAM-17-29](#)
22. **Acceptance - Community Services, Employment and Training**
City of Tucson, to provide for the Continuum of Care - ECHO Supportive Housing Program, U.S. Department of Housing and Urban Development Fund, \$101,129.00 (GTAW 17-47)
Attachments: [GR GTAW-17-47](#)
23. **Acceptance - Sheriff**
Arizona Department of Homeland Security, to provide for the Operation Stonegarden Grant Program - Overtime and Mileage, U.S. Department of Homeland Security Fund, \$1,176,208.00 (GTAW 17-39)
Attachments: [GR GTAW-17-39](#)
24. **Acceptance - Sheriff**
Arizona Department of Homeland Security, to provide for the Operation Stonegarden Grant Program - Equipment, U.S. Department of Homeland Security Fund, \$144,652.00 (GTAW 17-40)
Attachments: [GR GTAW-17-40](#)
25. **Acceptance - Health**
Arizona Department of Health Services, to provide for the HIV Surveillance Program, Arizona Department of Health Services and Center for Disease Control and Prevention Funds, \$60,682.00 (GTAWR 17-1)
Attachments: [GR GTAWR-17-1](#)

BOARD, COMMISSION AND/OR COMMITTEE

26. **Pima County/Tucson Women's Commission**
Reappointment of Annie Sykes. Term expiration: 12/31/20. (District 5)
Attachments: [BCC WomensCommissionReappt](#)
27. **Merit System Commission and Law Enforcement Council**
Reappointment of Paul Rubin. Term expiration: 12/31/20. (District 5)
Attachments: [BCC_MeritSystemComm_LawEnfrcmntCouncilReappt](#)
28. **Flood Control District Advisory Committee**
Appointment of Ann Youberg, to fill a vacancy created by Amy McCoy. No Term Expiration. (District 5)
Attachments: [BCC FloodControlDistrictAdvisoryCommitteeAppt](#)

- 29. Flood Control District Board of Hearing Review**
Appointment of Ann Youberg, to fill a vacancy created by Amy McCoy.
No Term Expiration. (District 5)
Attachments: [BCC FloodControlDistrictAdvisoryCommitteeAppt](#)

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

- 30. Temporary Extension**
- 06100228, Scott A. Busse, Territorial, 3727 S. Palo Verde, Tucson, Temporary Extension of Premises for November 19, 2016.
 - 12104129, Grant Darien Krueger, Union, L.L.C., 4340 N. Campbell Avenue, Suite 103, Tucson, Temporary Extension of Premises for December 16, 2016.
 - 06100203, Randy D. Nations, Hot Rods Old Vail, 10500 E. Old Vail Road, Tucson, Temporary Extension of Premises for December 11, 2016.
 - 07100326, Thomas Robert Aguilera, Tucson Hop Shop, 3230 N. Dodge Boulevard, Tucson, Temporary Extension of Premises for December 31, 2016 and January 1, 2017.

ELECTIONS

- 31. Precinct Committeemen**
Pursuant to A.R.S. §16-821B, approval of Precinct Committeemen resignations and appointments:
- RESIGNATION-PRECINCT-PARTY
Morgan G. Abraham-042-DEM; Nicholas R. Mahon-042-DEM; Catherine I. Paredes-042-DEM; Richard A. Calabro-074-DEM; Lee R. Foulkes-157-DEM
- Attachments:** [EL PrecinctCommitteemen](#)

FINANCE AND RISK MANAGEMENT

- 32. Duplicate Warrants - For Ratification**
Jennifer E. Isom \$154.80; William H. L. Fussell \$89.40; W. R. Newman-Chris Meyers \$18,425.00; Arizona Instrument, L.L.C. \$718.00; United Way Capital Corp. \$12,158.40; West Publishing Corp. \$7,056.76; John Luke Perales \$46.68; Gail Aleece Masek \$100.00; Sean M. Ollila \$26.70; Ralph E. Ellinwood \$2,520.00; National University of Natural Medicine \$48.00; Barbara J. Short \$417.20; Kenneth Peter Dagostino \$2,032.00; Carol Trejo \$657.40; American Indian Assoc. of Tucson Indian Center \$624.85; American Indian Assoc. of Tucson Indian Center \$440.28.
- Attachments:** [FN DuplicateWarrants](#)

TREASURER

- 33. Fill the Gap**
Staff requests approval of the annual certification, as directed by A.R.S. §41-2421, that the five percent set-aside "Fill-the-Gap" Funds in the amount of \$1,194,090.71 be transferred to the Local Courts Assistance Fund for supplemental aid to Superior and Justice Courts for processing of criminal cases.
- Attachments:** [TO FilltheGap](#)
- 34. Certificate of Removal and Abatement - Certificate of Clearance**
Staff requests approval of the Certificates of Removal and Abatement/Certificates of Clearance in the amount of \$14,283.77
- Attachments:** [TO CertificateofRemovalandAbatement](#)

RATIFY AND/OR APPROVE

- 35. Warrants: November, 2016**

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.

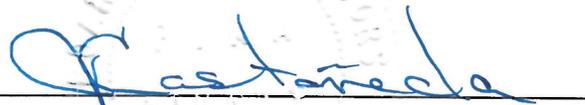
I further certify that the attached resolution entitled

RESOLUTION NO. 1991-138

(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 18th day of June, 1991, 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 2nd day of February, 2016.


Clerk

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.

Reg Morrison
Chairman, Board of Supervisors

ATTEST:

Jane S Williams
Clerk, Board of Supervisors

APPROVED AS TO FORM:

Frank J. [Signature]
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.

Jane S Williams
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. 1991-182

(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 6th day of October, 1991, 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 2nd day of February, 2016.


Clerk

RESOLUTION NO. 1991-182

RESOLUTION AMENDING RESOLUTION NO. 1991-138 AND RATIFYING THE ADOPTION OF RESOLUTION NO. 1991-138 AS HEREIN AMENDED.

WHEREAS, the Board of Supervisors of Pima County, Arizona, has heretofore adopted its Resolution No. 1991-138 authorizing issuance of Pima County Sewer Revenue Refunding Bonds, Series 1991; and

WHEREAS, the County has now been presented with a commitment to purchase a reserve fund guaranty from Financial Guaranty Insurance Company ("FGIC"); and

WHEREAS, in order to purchase the reserve fund guaranty from FGIC, Resolution No. 1991-138 must be amended to conform as a condition to the issuance of a reserve fund guaranty by FGIC;

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

Resolution No. 1991-138 be amended to read as follows (fully capitalized words indicate new matter; strike throughs indicate deleted matter):

A. That Section 9 of Resolution No. 1991-138 be amended to read as follows:

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) AND SAID RATES, FEES AND OTHER CHARGES SHALL ALSO BE ESTABLISHED AND MAINTAINED AT RATES SUFFICIENT TO PROVIDE AN AMOUNT OF NET REVENUES FOR THE THEN CURRENT FISCAL YEAR WHICH, NET OF THE AGGREGATE AMOUNTS REQUIRED TO BE DEPOSITED TO THE BOND FUND DURING SUCH FISCAL YEAR, WILL BE SUFFICIENT TO PROVIDE AT LEAST ONE HUNDRED PERCENT (100%) OF THE CITY'S POLICY COSTS DUE AND OWING IN SUCH FISCAL YEAR.

B. That Section 10B(2) be amended to read as follows:

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 ~~SEPTEMBER~~ 10, 1991, through December 10, 1991, ~~one-fifth (1/5)~~ ONE-FOURTH (1/4), 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 ~~SEPTEMBER~~ 10, 1991, through June 10, 1992, ~~one-eleventh (1/11)~~ ONE-TENTH (1/10), 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.

C. That Section 12 be amended to read as follows:

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.

FOR ALL PURPOSES OF SECTION 12, EXCEPT THE GIVING OF NOTICE OF DEFAULT TO BONDHOLDERS, THE BOND INSURER SHALL BE DEEMED TO BE THE SOLE HOLDER OF THE BONDS IT HAS INSURED FOR

SO LONG AS IT HAS NOT FAILED TO COMPLY WITH ITS PAYMENT OBLIGATIONS UNDER THE BOND INSURANCE POLICY.

D. That Section 13A(1) be amended to read as follows:

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 AND SAID NET REVENUES MUST ALSO HAVE BEEN SUFFICIENT TO PROVIDE AN AMOUNT OF NET REVENUES FOR THE THEN CURRENT FISCAL YEAR WHICH, NET OF THE AGGREGATE AMOUNTS REQUIRED TO BE DEPOSITED TO THE BOND FUND DURING SUCH FISCAL YEAR, WILL BE SUFFICIENT TO PROVIDE AT LEAST ONE HUNDRED PERCENT (100%) OF THE CITY'S POLICY COSTS DUE AND OWING IN SUCH FISCAL YEAR 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;

E. That Section 16 of said Resolution No. 1991-138 be amended by adding a new Section C to read as follows:

C. ANY OTHER PROVISION OF THIS SECTION 16 TO THE CONTRARY NOTWITHSTANDING, NO AMENDMENT TO RESOLUTION NO. 1991-138 SHALL BECOME EFFECTIVE UNLESS AND UNTIL IT IS APPROVED BY ALL BOND INSURERS AND RESERVE FUND GUARANTORS APPLICABLE TO THE BONDS.

F. Section 18 of said Resolution No. 1991-138 is amended to read as follows:

Section 18. Method of Valuation; Frequency.
In computing the amount in any fund or account, Permitted Investments shall be valued at their market value EXCLUSIVE OF ACCRUED INTEREST. With respect to all Funds and Accounts, valuation shall occur annually ON THE FIRST BUSINESS DAY OF EACH BOND YEAR and immediately upon a withdrawal from the Reserve Fund.

F. Section 19 of said Resolution No. 1991-138 is amended to read as follows:

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 89 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.

H. In all other respects Resolution No. 1991-138, as laid before this Board on June 18, 1991, shall remain the same. As so amended by this resolution, Resolution No. 1991-138 is hereby ratified. Further, this Board hereby incorporates all unamended provisions of said Resolution No. 1991-138 into this resolution as if set forth and as if adopted as a part hereof.

PASSED, ADOPTED AND APPROVED this 6th day of August, 1991.

ATTEST:

Jane S. Williams
 Clerk, Board of Supervisors

Reg Morrison
 Chairman, Board of Supervisors
 AUG 6 1991

APPROVED AS TO FORM:

Fred H. Rosenfeld
 Bond Counsel

CERTIFICATE

I hereby certify that the foregoing Resolution No. 1991-182 was duly passed and adopted by the Board of Supervisors of Pima County, Arizona, at a meeting held on August 6, 1991, and the vote was 3 aye's and 0 nay's and that the Supervisors were present thereat.

Jane S. Williams
 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. 2016 – 83

(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 13th day of December, 2016, 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 2nd day of February, 2016.


Clerk

RESOLUTION NO. 2016-.83.....

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

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

Section 1. Recitals, Findings and Conclusions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

By Sharon Bronson
Sharon Bronson, Chair, Board of Supervisors

ATTEST:

Robin Brigode
Robin Brigode, Clerk, Board of Supervisors

APPROVED AS TO FORM:

GREENBERG TRAURIG, LLP
Special Counsel

By Michael Cafiso
Michael Cafiso

\$45,000,000
SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2017,
Evidencing Interest of the Holders Thereof
in Installment Payments of the Purchase Price to be Paid By
PIMA COUNTY, ARIZONA,
Pursuant to a Series 2017 Purchase Agreement,
Dated as of February 1, 2017

CERTIFICATE OF THE COUNTY REQUIRED BY
THE PLACEMENT AGENT AGREEMENT

I, the undersigned, acting for and on behalf of Pima County, Arizona (the “County”), do hereby certify that I hold the office of Finance and Risk Management Director of the County. With respect to words indicated below with initial capitals, I have adopted the definitions established in the Placement Agent Agreement between the County and RBC Capital Markets, LLC, dated January 23, 2017 (the “*Placement Agent Agreement*”), with respect to the above-referenced Obligations. To the best of my knowledge, I do hereby further certify:

1. that the representations, warranties and covenants of the County contained in the Placement Agent Agreement are true and correct in all material respects on and as of the date hereof;
2. that no litigation is pending or threatened in any court in any way affecting the existence of the County or the titles of its officers or directors to their respective positions, or seeking to restrain or to enjoin the execution, sale or delivery of the Obligations, or the receipt of any revenues or assets of the County pledged or to be pledged to pay the principal of and interest on the Obligations, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Obligations, the Resolution, Series 2017 Purchase Agreement, the Series 2017 Obligation Indenture or the Placement Agent Agreement, or contesting the powers of the County or its authority with respect to the Obligations, the Resolution or the Placement Agent Agreement; and
3. that the County has complied in all material respects with the Resolution and the terms of the Obligations and satisfied all material conditions on its part to be performed or satisfied at or prior to the delivery of the Obligations.

Dated: February 9, 2017.



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

\$45,000,000
 SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2017,
 Evidencing Interest of the Holders Thereof
 in Installment Payments of the Purchase Price to be Paid By
 PIMA COUNTY, ARIZONA,
 Pursuant to a Series 2017 Purchase Agreement,
 Dated as of February 1, 2017

REQUEST TO AUTHENTICATE AND DELIVER

Pima County, Arizona (the “*County*”), by the undersigned officer of the County, requests and authorizes The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”), under the Series 2017 Obligation Indenture, dated as of February 1, 2017 (the “*Indenture*”), by and between the County and the Trustee and pertaining to the above-referenced Obligations (the “*Obligations*”), to complete and to execute and deliver the Obligations.

The Obligations shall be delivered on the order of Compass Mortgage Corporation (the “*Purchaser*”), upon payment in federal funds at the direction of the County of the amount of \$45,000,000.00, being the principal amount of the Obligations, all in accordance with the Indenture.

The Obligations to be initially authenticated and executed and delivered in the form of a single, fully registered, physically certificated Obligation, numbered R-1, dated the date hereof, registered in the name of the Purchaser, maturing on July 1, 2031 and bearing interest at the rate of 2.77% per annum, payable on each interest payment date, and subject to mandatory redemption in the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2018	\$2,675,000
2019	2,750,000
2020	2,825,000
2021	2,905,000
2022	2,985,000
2023	3,065,000
2024	3,150,000
2025	3,240,000
2026	3,330,000
2027	3,420,000
2028	3,515,000
2029	3,615,000
2030	3,710,000
2031 (maturity)	3,815,000

Dated: February 9, 2017.

PIMA COUNTY, ARIZONA

By 

Keith Dommer
Finance and Risk Management Director



January 23, 2017

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

Re: \$45,000,000 Pima County, Arizona Sewer Revenue Obligations, Series 2017

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

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

contracting parties and the Placement Agent acts as an independent broker-dealer and exercises its own independent judgment in connection with its rights and duties as Placement Agent. Upon the terms and conditions and upon the basis of the representations, warranties and covenants set forth herein, the Placement Agent hereby agrees to use its best efforts to locate a bank lender (the “Purchaser”) to purchase all, but not less than all, of the Obligations on terms consistent herewith and with the hereinafter defined Loan Documents. If the Purchaser purchases the Obligations on the hereinafter defined Closing Date, the Issuer will pay a placement fee equal to not more than 0.5% of the par amount of the Obligations to the Placement Agent on the Closing Date.

3. Simultaneously with the execution of this Placement Agreement, you will deliver or cause to be delivered to the Placement Agent a copy of the Resolution, which is in full force and effect.
4. You represent and warrant to and agree with the Placement Agent (and hereby it shall be a condition of the obligation of the Placement Agent to perform under this Placement Agreement) that you shall so represent and warrant as of the Closing Date that:
 - (a) The Issuer is duly organized and validly existing under the laws of the State of Arizona (the “State”) with the power to sell and execute and deliver the Obligations.
 - (b) The Issuer has complied materially, and reasonably expects, in all respects on the Closing Date to be in material compliance with all of the provisions of applicable State law.
 - (c) The Board of Supervisors of the Issuer, prior to the acceptance hereof, has duly adopted the Resolution, and the Issuer has duly authorized and approved the execution and delivery of the Series 2017 Purchase Agreement and the Series 2017 Obligation Indenture (as such terms are defined in the Resolution) and this Placement Agreement (collectively, the “Loan Documents”), as well as the performance of its obligations contained in the Obligations and the consummation by it of all other transactions contemplated hereby.
 - (d) The Issuer is not in breach of or default under any applicable law or administrative regulation of the State, any department, division, agency or instrumentality thereof, or of the United States or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject which breach or default would materially and adversely affect the Issuer or its ability to perform its duties and obligations under the Loan Documents; and the execution and delivery of the Loan Documents, the adoption of the Resolution, and the execution and the issuance of the Obligations and compliance with the provisions of each thereof will not conflict materially with or constitute a material breach of or default under any applicable law or administrative regulation of the State or under any certificate, agreement, or other instrument to which the Issuer is a party or is otherwise subject which breach or default would materially and adversely

affect the Issuer, the Loan Documents or its ability to perform its duties and obligations under the Loan Documents

- (e) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction that would constitute a condition precedent to the performance by the Issuer of its obligations under the Loan Documents and the Obligations have been or, prior to the Closing Date will have been, obtained.
- (f) No litigation is pending or overtly threatened in any court in any way affecting the existence of the Issuer or the title of the members of the Board of Supervisors of the Issuer to their respective offices or seeking to restrain or to enjoin the execution, sale or delivery of the Obligations, or the collection or pledge of any revenues pledged or to be pledged under the Loan Documents to pay the principal of and interest on the Obligations, or in any way contesting or affecting the validity or enforceability of the Obligations, the Resolution or this Placement Agreement, or contesting the powers of the Issuer or members of its Board of Supervisors with respect to the Obligations.
- (g) The Issuer will apply the proceeds of the Obligations in accordance with the applicable terms of the Series 2017 Obligation Indenture .
- (h) On the Closing Date, the Placement Agent shall receive a copy of each of the following documents, each dated the Closing Date:
 - (i) a certified copy of the Resolution;
 - (ii) a certificate of an authorized officer of the Issuer that the Resolution and this Placement Agreement are in full force and effect;
 - (iii) opinions of your special counsel, Greenberg Traurig, LLP (“Special Counsel”), dated the Closing Date in form and substance satisfactory to the Placement Agent;
 - (iv) a certificate, dated as of the Closing Date and signed by an authorized officer of the Issuer, to the effect that (A) the representations, warranties and covenants of the Issuer contained herein are true and correct in all material respects on and as of the Closing Date; (B) no litigation is pending or, to its knowledge, threatened in any court in any way affecting the existence of the Issuer or the titles of its officers or directors to their respective positions, or seeking to restrain or to enjoin the execution, sale or delivery of the Obligations, or the receipt of any revenues or assets of the Issuer pledged or to be pledged to pay the principal of and interest on the Obligations, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Obligations, the Resolution or this Placement Agreement, or contesting the powers of the Issuer or its authority with respect to the Obligations, the Resolution or this Placement Agreement , ; and (C) the Issuer has complied in all material respects with the Resolution and the terms of the Obligations and satisfied all material

conditions on its part to be performed or satisfied at or prior to the delivery of the Obligations;

- (v) a certificate of the Purchaser as to the delivery of the Obligations and of the trustee under the Series 2017 Obligation Indenture (the “Trustee”) as to the receipt of payment therefor;
- (vi) a letter or certificate from the Purchaser in form and substance satisfactory to the Placement Agent; and
- (vii) such additional certificates, instruments or opinions as Special Counsel, the Issuer, the Purchaser or the Placement Agent may deem necessary or desirable.

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

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

5. At or prior to 1:00 p.m., on February 9, 2017, or such other date mutually agreed to by us (the “Closing Date”), you will deliver the Obligations to, or at the direction of, the Purchaser in definitive fully registered form duly executed, registered in the names specified by the Purchaser together with the other documents hereinabove mentioned, upon payment of the purchase price of the Obligations by wire and in immediately available funds. Delivery as aforesaid shall be made in Phoenix, Arizona, as shall have been mutually agreed upon and such payment shall be made simultaneously therewith. This payment and delivery is herein called the “Closing.”
6. Unless otherwise set forth herein, the representations and agreements in this Placement Agreement shall survive the delivery of the Obligations hereunder.
7. The Placement Agent’s obligation hereunder to use its best efforts to place the Obligations shall be subject to the performance by you of your obligations hereunder in all material respects at or prior to the Closing and the accuracy in all material respects of your representations and warranties contained herein and shall also be subject to the following conditions:
 - (a) At the time of the Closing, the Resolution and the Loan Documents and all related documents of the Issuer with respect to the execution and delivery of the Obligations shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to by the undersigned.
 - (b) The undersigned may terminate this Placement Agreement by notification in writing to you if at any time subsequent to the date hereof and at or prior to the Closing: (i) legislation shall be enacted by or, after the date hereof, introduced in

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

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

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

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

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

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

RBC CAPITAL MARKETS, LLC

By 

Name: Kurt M. Freund

Title: Managing Director

Date: January 23, 2017

ACCEPTANCE

ACCEPTED this 23 day of January, 2017

By: 

Name: Keith Dommer

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

Date: 1/23/2017

\$45,000,000
SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2017,
Evidencing Interest of the Holders Thereof
in Installment Payments of the Purchase Price to be Paid By
PIMA COUNTY, ARIZONA,
Pursuant to a Series 2017 Purchase Agreement,
Dated as of February 1, 2017

CERTIFICATE OF THE PURCHASER

This Certificate is being executed and delivered by the undersigned, for and on behalf of Compass Mortgage Corporation, an Alabama corporation, as the purchaser (the “*Purchaser*”) in connection with the acquisition of the \$45,000,000 aggregate principal amount of Sewer System Revenue Obligations, Series 2017, Evidencing Interest of the Holders Thereof In Installment Payments of the Purchase Price to be Paid By Pima County, Arizona (the “*County*”), Pursuant to a Series 2017 Purchase Agreement, dated as of February 1, 2017 (the “*Obligations*”). In connection with the purchase of the Obligations, the undersigned authorized representative of the Purchaser does hereby certify as follows:

1. The Purchaser hereby acknowledges receipt of the Obligations at a price of \$45,000,000.00, representing the principal amount thereof. The Obligations are dated February 9, 2017, are in the form of a single, fully registered, physically certificated Obligation in the principal amount of \$45,000,000, registered in the name of the Purchaser, maturing on July 1, 2031, bearing interest at the rate of 2.77% per annum.
2. The aggregate issue price of the Obligations is the principal amount thereof and resulted from an “arm’s length,” commercial transaction between the Purchaser and the County.
3. The Purchaser is acquiring the Obligations for its own account as evidence of a loan and not with a view to, or for sale in connection with, any distribution of the Obligations or any part thereof.
4. The Purchaser has not offered to sell, solicited offers to buy, or agreed to sell the Obligations or any part thereof, and the Purchaser has no present intention of reselling or otherwise disposing of the Obligations; provided however, that the Obligations may be transferred in whole and in accordance with the provisions of the Series 2017 Obligation Indenture executed by the County in connection with the sale of the Obligations.
5. The Purchaser is a lender that regularly extends credit by purchasing loans in the form of state and local government obligations such as the Obligations; has knowledge and

experience in financial and business matters that make it capable of evaluating the Obligations and the risks associated with the purchase of the Obligations; has the ability to bear the economic risk of an acquisition of the Obligations; and is an “accredited investor” as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended.

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

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

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

[Signature page follows.]

Dated: February 9, 2017

COMPASS MORTGAGE CORPORATION, as
Purchaser



Printed Name: Marc Smith

Title: Signatory of the Corporation

February 9, 2017

The Bank of New York Mellon
Trust Company, N.A.
Los Angeles, California

Re: Sewer System Revenue Obligations, Series 2017, Evidencing Interest of the Holders Thereof in Installment Payments of the Purchase Price To Be Paid by Pima County, Arizona, Pursuant to a Series 2017 Purchase Agreement, Dated as of February 1, 2017

We hereby certify that we have examined a transcript of the proceedings relating to the initial execution and delivery of the above-referenced Obligations (the “Obligations”) in the aggregate principal amount of \$45,000,000 and fully registered form, dated the date of their initial execution and delivery. The Obligations are being executed and delivered to finance the costs of certain improvements to the sewer system (the “System”) serving Pima County, Arizona (the “County”).

We have examined the law and such documents and matters as we have deemed necessary to render this opinion. As to questions of fact material to the opinions expressed herein, we have relied upon, and have assumed due compliance with the provisions of, such documents and have relied upon certifications and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, the use to be made of the proceeds of the Obligations. Reference is made to certifications of, and opinions of counsel to, parties with respect to the existence and powers of such parties to enter into and perform the instruments referred to, the authorization, execution and delivery of such instruments by such parties and such instruments being binding upon and enforceable against such parties; we express no opinion as to such matters.

The Obligations are being executed and delivered pursuant to the Series 2017 Obligation Indenture, dated as of February 1, 2017 (the “Indenture”), by and between the County and The Bank of New York Mellon Trust Company, N.A., in its capacity as trustee (the “Trustee”). The Obligations represent an undivided and proportionate interest in certain obligations of the County pursuant to the Series 2017 Purchase Agreement, dated as of February 1, 2017 (the “Purchase Agreement”), by and between the Trustee, in its separate capacity as seller (the “Seller”), and the County, as purchaser, pursuant to which the County has agreed to make certain installment purchase payments to the Trustee. The Obligations are payable solely, as to both principal and interest, from such installment

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BOCA RATON
BOSTON
CHICAGO
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DELAWARE
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FORT LAUDERDALE
HOUSTON
LAS VEGAS
LONDON*
LOS ANGELES
MEXICO CITY*
MIAMI
MILAN*
NEW JERSEY
NEW YORK
NORTHERN VIRGINIA
ORANGE COUNTY
ORLANDO
PHILADELPHIA
PHOENIX
ROME*
SACRAMENTO
SAN FRANCISCO
SEOUL*
SHANGHAI
SILICON VALLEY
TALLAHASSEE
TAMPA
TEL AVIV*
TOKYO*
WARSAW*
WASHINGTON, D.C.
WESTCHESTER COUNTY
WEST PALM BEACH

*OPERATES AS GREENBERG TRAUIG MAHER LLP
*OPERATES AS GREENBERG TRAUIG, S.C.
**STRATEGIC ALLIANCE
*OPERATES AS GREENBERG TRAUIG LLP FOREIGN LEGAL CONSULTANT OFFICE
*A BRANCH OF GREENBERG TRAUIG, P.A., FLORIDA, USA
*OPERATES AS GREENBERG TRAUIG HORITSUJIMUSHO
*OPERATES AS GREENBERG TRAUIG GRZESIAK SPK

purchase payments made by the County pursuant to the Purchase Agreement. The County and the Seller have assigned certain of their rights in and benefits from, and of their obligations pursuant to, the Purchase Agreement to the Trustee pursuant to the Indenture.

Based upon the foregoing, we are of the opinion as of this date, which is the date of initial execution and delivery of the Obligations against payment therefor, that:

1. The Indenture, the Purchase Agreement and the Obligations are valid and binding and enforceable in accordance with their terms. The rights of the owners of the Obligations and the enforceability of those rights pursuant to the Obligations as well as the Indenture and the Purchase Agreement may, however, be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights, and the enforcement of those rights may also be subject to the exercise of judicial discretion in accordance with general principles of equity. The enforceability of the indemnification provisions in the Purchase Agreement and the Indenture may be affected by applicable securities laws.

2. The obligation of the County for the payment of the installment purchase payments required to be paid by the County pursuant to the provisions of the Purchase Agreement constitute a valid and binding limited, special obligation of the County, payable together with any other obligations issued on parity therewith, solely from and secured solely by a pledge of, a lien on and a security interest in the Pledged Revenues (as defined in the Purchase Agreement), consisting generally of revenues derived by the County from the operation of the System after sufficient funds have been provided for the operation and maintenance expenses of the System and for payment of certain senior lien obligations and amounts related thereto. Such payments are not secured by an obligation or pledge of any moneys raised by taxation; the Obligations do not represent or constitute a debt or pledge of the general credit of the County or the State of Arizona and the Purchase Agreement, including the obligation of the County to make the payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the County.

3. The portion of each installment purchase payment made by the County pursuant to the Purchase Agreement, denominated as and comprising interest pursuant to the Purchase Agreement and received by the owners of the Obligations (the "*Interest Portion*"), is excludable from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "*Code*"), and is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations. The Interest Portion is also exempt from income taxation under the laws of the State of Arizona so long as the Interest Portion is excluded from gross income for federal income tax purposes. Pursuant to the Code, however, portions of the Interest Portion earned by certain corporations (as

defined for federal income tax purposes) are taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on such corporations and may be subject to a branch profits tax imposed on certain of such corporations which are foreign corporations doing business in the United States and to a tax imposed on excess net passive income of such corporations which are S corporations. (We express no opinion regarding other federal or State tax consequences resulting from the ownership of, receipt or accrual of interest on or the disposition of the Obligations.)

In rendering the opinion expressed in the third numbered paragraph hereof, we have assumed continuing compliance with certain tax covenants provided in connection with the original execution and delivery of the Obligations in order that the Interest Portion not be included in gross income for federal tax purposes. The failure of the County to meet certain requirements of the Code with respect to the matters described in the third numbered paragraph hereof may cause the Interest Portion to be included in gross income for federal income tax purposes retroactive to the date of initial execution and delivery of the Obligations. The County has covenanted to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion. (Subject to the same limitations in the penultimate sentence of the first numbered paragraph hereof as they would relate to such covenants, the County has full legal power and authority to comply with such covenants.)

Our opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

Greenberg Traurig, LLP

February 9, 2017

Compass Mortgage Corporation
Phoenix, Arizona

RBC Capital Markets, LLC
Phoenix, Arizona

Re: Sewer System Revenue Obligations, Series 2017, Evidencing Interest of the Holders Thereof in Installment Payments of the Purchase Price To Be Paid by Pima County, Arizona, Pursuant to a Series 2017 Purchase Agreement, Dated as of February 1, 2017

We have delivered to you our approving opinion of even date herewith relating to the above-referenced Obligations (the “*Obligations*”). You may rely on such opinion as if such opinion were also addressed to you.

Based on the examination described therein, we hereby supplement the aforesaid approving opinion and further advise you that the Obligations are exempted securities under the Securities Act of 1933, as amended (the “*1933 Act*”), and it is not necessary, in connection with the offering and sale of the Obligations, to register the Obligations under the 1933 Act.

This opinion may be relied upon only by you and by persons to whom we grant written permission to do so.

Respectfully submitted,



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BOSTON
CHICAGO
DALLAS
DELAWARE
DENVER
FORT LAUDERDALE
HOUSTON
LAS VEGAS
LONDON*
LOS ANGELES
MEXICO CITY*
MIAMI
MILAN*
NEW JERSEY
NEW YORK
NORTHERN VIRGINIA
ORANGE COUNTY
ORLANDO
PHILADELPHIA
PHOENIX
ROME*
SACRAMENTO
SAN FRANCISCO
SEOUL*
SHANGHAI
SILICON VALLEY
TALLAHASSEE
TAMPA
TEL AVIV*
TOKYO*
WARSAW*
WASHINGTON, D.C.
WESTCHESTER COUNTY
WEST PALM BEACH

*OPERATES AS GREENBERG TRAUIG MAHER LLP

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*OPERATES AS GREENBERG TRAUIG HORITSUJIMUSHO

*OPERATES AS GREENBERG TRAUIG GRZESIAK SPK



OFFICE OF THE
Pima County Attorney
Civil Division
32 NORTH STONE AVENUE
SUITE 2100
Tucson, Arizona 85701-1412
(520) 724-5700
FAX (520) 620-6556

Barbara LaWall
PIMA COUNTY ATTORNEY

February 9, 2017

Compass Mortgage Corporation
Phoenix, Arizona

RBC Capital Markets, LLC
Phoenix, Arizona

The Bank of New York Mellon Trust
Company, N.A., as Trustee
Los Angeles, California

Greenberg Traurig, LLP
Phoenix, Arizona

As County Attorney for Pima County, Arizona (the "*County*"), and in reliance upon the advice of Greenberg Traurig, LLP, Special Counsel to the County, I hereby approve the forms of the instruments, documents, and agreements, specifically, Resolution No. 2016-83 passed, adopted and approved by the Board of the County on December 13, 2016 (the "*Authorizing Resolution*"), the Series 2017 Obligation Indenture, dated as of February 1, 2017 (the "*Indenture*"), the Series 2017 Purchase Agreement, dated as of February 1, 2017 (the "*Purchase Agreement*"), the Placement Agent Agreement, dated January 23, 2017 (the "*Placement Agent Agreement*"), to be executed by authorized representatives of the County in connection with the sale, and the execution and delivery on the date hereof, of \$45,000,000 aggregate principal amount of the Sewer System Revenue Obligations, Series 2017, Evidencing Interest of the Holders Thereof In Installment Payments of the Purchase Price To Be Paid By Pima County, Arizona, Pursuant To a Series 2017 Purchase Agreement, Dated as of February 1, 2017 (the "*Obligations*").

Based upon the foregoing, pursuant to existing laws, regulations and rulings, it is my opinion that:

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

2. The County has all requisite power and authority to cause the authorization, execution, sale and delivery of the Obligations and to carry out the transactions contemplated by the Authorizing Resolution, the Indenture, the Purchase Agreement, the Placement Agent Agreement and the Obligations.

3. The County has duly authorized and approved the Authorizing Resolution and the Purchase Agreement, both of which have been executed and delivered on behalf of the County, and are valid, legal and binding obligations of the County, enforceable against the County in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles generally affecting the enforcement of creditors' rights.

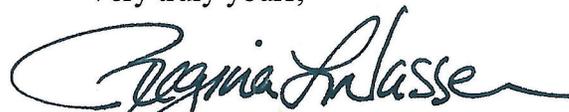
4. The Indenture and the Placement Agent Agreement have been duly authorized and validly executed and delivered by the County, and constitute legal, valid and binding obligations of the County, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles generally affecting the enforcement of creditors' rights.

5. Except as disclosed in the Exhibit hereto, to the best of my knowledge, there is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or overtly threatened affecting the corporate existence of the County or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale or execution and delivery of the Obligations or the imposition and collection of fees and charges, in amounts and at times sufficient to pay, and securing the payment of principal of and interest on, the Obligations pursuant to the Indenture or in any way contesting or affecting the validity or enforceability of the Obligations, or the Indenture, the Purchase Agreement and the Placement Agent Agreement, or contesting the exclusion from gross income of interest on the Obligations for federal income tax purposes or State income tax purposes, or contesting the powers of the County or any authority for the execution and delivery of the Obligations, the adoption of the Authorizing Resolution or the execution and delivery of the Indenture, the Purchase Agreement and the Placement Agent Agreement, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Obligations or the Indenture, the Purchase Agreement and the Placement Agent Agreement.

Compass Mortgage Corporation
RBC Capital Markets, LLC
The Bank of New York Mellon Trust
Company, N.A., as Trustee
Greenberg Traurig, LLP
Page 3

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Regina L. Nassen". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Regina L. Nassen
Deputy County Attorney

EXHIBIT

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

\$45,000,000
 SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2017,
 Evidencing Interest of the Holders Thereof
 in Installment Payments of the Purchase Price to be Paid By
 PIMA COUNTY, ARIZONA,
 Pursuant to a Series 2017 Purchase Agreement,
 Dated as of February 1, 2017

EXECUTION AND DELIVERY AND
 SIGNATURE IDENTIFICATION
 CERTIFICATE AND RECEIPT OF TRUSTEE

The Bank of New York Mellon Trust Company, N.A. (the “*Trustee*”) acts as obligation trustee, registrar and paying agent pursuant to the Series 2017 Obligation Indenture, dated as of February 1, 2017 (the “*Indenture*”), by and between Pima County, Arizona (the “*County*”), and the Trustee in connection with the execution and delivery on the date hereof of \$45,000,000 aggregate principal amount of the above-referenced Obligations (the “*Obligations*”), and as seller pursuant to the Series 2017 Purchase Agreement, dated as of February 1, 2017 (the “*Purchase Agreement*”), by and between the Trustee, in its separate capacity as seller, and the County, as purchaser. The undersigned, acting for and on behalf of the Trustee, does hereby certify as follows:

1. The Trustee is duly authorized and empowered to act, and is acting, as trustee, registrar and paying agent for the Obligations under authority of the Indenture and as seller under the authority of the Purchase Agreement.

2. Pursuant to authority of the Indenture and pursuant to a written order and request from the County, the undersigned has executed and delivered the Obligations, in the form of a single, fully registered, physically certificated Obligation maturing on July 1, 2031, bearing interest at the rate of 2.77% per annum and being subject to mandatory redemption in the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2018	\$2,675,000
2019	2,750,000
2020	2,825,000
2021	2,905,000
2022	2,985,000

<u>Year</u>	<u>Principal Amount</u>
2023	\$3,065,000
2024	3,150,000
2025	3,240,000
2026	3,330,000
2027	3,420,000
2028	3,515,000
2029	3,615,000
2030	3,710,000
2031 (maturity)	3,815,000

3. All blanks in the Obligations requiring completion by the undersigned have been accurately completed and Obligations have been executed and delivered by an authorized officer of the undersigned.

4. Each person or persons executing and delivering the Obligations is an authorized signatory of the undersigned, and such persons are authorized and empowered to execute and deliver, and did execute and deliver, one or more of the Obligations on behalf of the undersigned. The Obligations have been duly executed and delivered by an authorized officer of the Trustee; the Indenture and the Purchase Agreement have been duly executed and delivered by an authorized officer of the Trustee and the resolution or certification of the Trustee described in paragraph 10 hereof authorizing the execution and delivery and/or performance of the Indenture and the Purchase Agreement by the Trustee has been duly adopted by the Trustee and is in full force and effect and has not been modified, amended or repealed.

5. The Obligations, as so executed and delivered, have on this date been delivered to the purchaser of the Obligations.

6. To the knowledge of the undersigned, no litigation is pending or threatened, or in any way contesting or affecting the existence or trust powers of the Trustee or the ability of the Trustee to fulfill its duties and obligations under the Indenture or the Purchase Agreement.

7. The Trustee is a national banking association with trust powers, duly organized, validly existing and in good standing under the laws of the United States, is duly qualified to do business and to exercise trust powers in the State of Arizona, and has the corporate power to take all action required or permitted of it under the Indenture and the Purchase Agreement.

8. The execution, delivery and performance by the Trustee of the Indenture and the Purchase Agreement has been duly authorized by all necessary corporate action on the part of the Trustee, and under present law does not contravene the Articles of Association or Bylaws of the Trustee or conflict with or constitute a breach of or default under any law, administrative regulation, consent decree or any material agreement or material instrument to which the Trustee is subject.

9. The acceptance by the Trustee of its appointment as trustee under the Indenture, and the performance by the Trustee of its duties and obligations under the Indenture and the Purchase Agreement do not require the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, any federal, state, or other governmental authority or agency.

10. Attached hereto as the Exhibit is a true, complete and correct copy of a resolution or certification of the Trustee demonstrating the authority of the officer executing documents on behalf of the Trustee. Said resolution or certification was in effect on the date or dates that said officer acted and remains in full force and effect on the date hereof.

11. In accordance with Section 5.2 of the Indenture, \$45,000,000.00 of proceeds of sale of the Obligations has been received on behalf of the County, of which (i) \$322,430.00 has been deposited into the Delivery Costs Fund established under the Indenture and (ii) \$44,677,570.00 has been deposited with the County for credit to the Improvements Fund (as such term is defined in the Indenture); and \$1,961,789.00 of legally available funds of the County has been received from the County and deposited to the Debt Service Reserve Account established under the Indenture.

[Signature page follows.]

Dated: February 9, 2017.

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

A handwritten signature in blue ink, appearing to read "Deborah M. Scherer", written over a horizontal dotted line.

Printed Name: Deborah M. Scherer

Title: Vice President

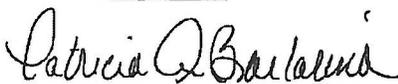
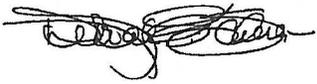
ATTACHMENT: Exhibit - Resolution or Certification

EXHIBIT

Resolution or Certification

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

I, the undersigned, Cristina M. Rice, Assistant Secretary of The Bank of New York Mellon Trust Company, N.A., 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, and that the signature appearing next to each officer listed below is a true copy of the signature of such officer:

<u>Officer</u>	<u>Title</u>	<u>Signing Authority</u>	<u>Signature</u>
Patricia Barbarino	Vice President	A, J, N	
Rosalyn Y. Davis	Vice President	A, J, N	
Letha Glover	Vice President	A, J, N	
Stephen Jager	Vice President	G, H, J, N	
Kevin Scott Miles	Vice President	B1, H, J, N	
Saul E. Ramirez	Vice President	G, H, J	
Deborah M. Scherer	Vice President	B1, H, J, N	
Jane Thang	Vice President	G, H, J	

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 and the signing authority resolution, which have not been amended or revised since October 15, 2009 and 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, N.A. this 21st day of July 2016.



Cristina M. Rice, Assistant Secretary

Extracts from By-Laws
of
The Bank of New York Mellon Trust Company, N.A.
As Amended through October 15, 2009

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.

(I1) 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.

\$45,000,000
SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2017,
Evidencing Interest of the Holders Thereof
in Installment Payments of the Purchase Price to be Paid By
PIMA COUNTY, ARIZONA,
Pursuant to a Series 2017 Purchase Agreement,
Dated as of February 1, 2017

CERTIFICATE RELATING TO FEDERAL TAX MATTERS

The undersigned, Finance and Risk Management Director of Pima County, Arizona (the “*County*”), an officer of the County charged, with others, with the responsibility for causing the execution and delivery of the above-referenced Obligations (the “*Obligations*”), reasonably expects the following with regard to the Obligations, executed and delivered on the date hereof (the “*Issuance Date*”) by The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”) pursuant to the Series 2017 Obligation Indenture, dated as of February 1, 2017 (the “*Indenture*”), by and between the County and the Trustee. Capitalized terms not otherwise defined herein having the meanings given to them in the Indenture, the hereinafter defined Agreement and the Internal Revenue Code of 1986, as amended (the “*Code*”), and applicable federal Treasury Regulations (the “*Regulations*”).

One purpose for executing this Certificate is to set forth facts regarding the Obligations and to establish the expectations of the County regarding future events related to the Obligations and the use of Proceeds. The certifications, covenants, and representations contained herein are made on behalf of the County for the benefit of the owners of the Obligations. The County hereby covenants that it will not take any action, omit to take any action, or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds), if taking, permitting, or omitting to take such action would cause the Obligations to be “arbitrage bonds” or “private activity bonds,” each within the meaning of the Code, or would otherwise cause interest on the Obligations to be included in the gross income of the owners of the Obligations for federal income tax purposes. The County acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation of interest paid on the Obligations, under current rules, the County is the “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such examination.

1. Purpose of the Obligations. The hereinafter described Net Proceeds, together with other legally available moneys of the County, will be applied to:

(a) pay the costs of the improvements to the System identified in Exhibit A hereto (collectively, the “*Projects*”);

(b) fund the Reserve Requirement; and

(c) pay the costs of execution and delivery of the Obligations (the “*Costs of Issuance*”).

2. Proceeds of the Obligations; Other Moneys; Debt Service Reserve Fund.

(a) The net proceeds received by the County from the sale of the Obligations will be \$45,000,000.00 (the “*Net Proceeds*”), representing the principal amount of the Obligations. The Net Proceeds, plus \$1,961,789.00 of other legally available moneys of the County, will be applied as follows:

(i) \$44,677,570.00 of the Net Proceeds will be transferred by the Trustee to the County for deposit into the Improvements Fund established pursuant to the Agreement and used to pay the costs of the Projects (see Exhibit A hereto for a list of the Projects);

(ii) \$322,430.00 of the Net Proceeds will be deposited into the Delivery Costs Fund and used to pay the Costs of Issuance. Any amounts deposited into the Delivery Costs Fund not used to pay the Costs of Issuance will be transferred to the Obligation Fund for the payment of debt service on the Obligations.

(iii) \$1,961,789.00 of other legally available moneys of the County will be transferred by the County to the Trustee for deposit to the Debt Service Reserve Account of the Obligation Fund to fund the Reserve Requirement.

3. Payment of the Obligations.

(a) Pursuant to a Series 2017 Purchase Agreement, dated as of February 1, 2017 (the “*Agreement*”), by and between the County and the Trustee in its separate capacity as “*Seller*,” the County will pay to the Trustee, as assignee, certain payments which are secured by a pledge of Pledged Revenues of the sewer system that serves the County. Such payments include amounts to pay for deposit to the Obligation Fund the amount of the interest payable on the Obligations on the next interest payment date, less any amount on deposit in the Interest Account not previously credited. Such payments also include amounts to pay for deposit to the Obligation Fund the amount of the principal of the Obligations maturing on the next principal payment date, less any amount on deposit in the Principal Account not previously credited. (Such payments also include amounts to replenish on a periodic basis draws on the Debt Service Reserve Account, if any.)

(b) Amounts of such payments deposited in the Obligation Fund for transfer to the Interest Account and the Principal Account will be expended within 13 months of their deposit to pay scheduled debt service on or to redeem the Obligations. Thus, the Obligation Fund (to the extent of transfers to the Interest Account and the Principal Account), the Interest

Account and the Principal Account are established to achieve a proper matching of revenues and debt service in each bond year. The Obligation Fund (to the extent of transfers to the Interest Account and the Principal Account), the Interest Account and the Principal Account will be fully depleted at least annually, except for a reasonable carryover amount not to exceed the greater of (A) one year's earnings on such amounts for the immediately preceding bond year or (B) one-twelfth of annual debt service on the Obligations for the immediately preceding bond year. Amounts received from the investment of amounts in the Obligation Fund (to the extent of transfers to the Interest Account and the Principal Account), the Interest Account and the Principal Account will be added to the account of the Fund for which such investment is made and expended within one year of their receipt.

(c) Other than the Obligation Fund, the Interest Account, the Principal Account and the Debt Service Reserve Account, there will be no funds or accounts held under the Indenture or otherwise that are reasonably expected to be used to pay debt service on or to secure the Obligations. The System Development Fund is not pledged.

4. Yield. The yield on the Obligations (determined as the semiannual discount rate at which the present value of the payments of principal and interest equals the purchase price of the Obligations) has been calculated by the Placement Agent to be 2.7702 percent (the "*Yield*"). The Placement Agent has used \$45,000,000.00 to calculate the Yield, representing the principal amount of the Obligations. See the Certificate of the Purchaser included in the transcript of which this Certificate is a part and *Exhibit B* hereto with respect to the "issue price" of the Obligations and with respect to the Yield, respectively.

5. Temporary Periods; Reimbursement; Weighted Average Maturity; No Hedge.

(a) *Temporary Periods.*

(i) *Improvements Fund.* The County has entered into binding commitments with respect to the acquisition of the Projects. The amount expended or to be expended pursuant to such commitments equals or exceeds 5 percent of the Net Proceeds of the Obligations. At least 85 percent of the Net Proceeds of the Obligations will be allocated to expenditures on the acquisition of the New Project no later than February 9, 2020. Work with respect to the acquisition and construction of the Projects will proceed with due diligence to completion in no event later than February 9, 2020, a date that is three 3 years from the date hereof. All proceeds of the Obligations used for the payment of costs of the Projects, together with investment earnings thereon, may be invested prior to expenditure without restriction regarding yield for 3 years from the date hereof. Proceeds and investment proceeds remaining unspent after such date may be invested at a yield not higher than the Yield.

(ii) *Delivery Costs Fund.* Amounts in the Delivery Costs Fund to be used to pay Costs of Issuance may be invested at an unrestricted yield for a period not to exceed six (6) months from the date of deposit.

(iii) *Debt Service Reserve Account.* The Debt Service Reserve Account of the Obligation Fund is being funded at the Reserve Requirement of \$1,961,789.00 (an amount equal to one-half (1/2) of the maximum annual debt service on the Obligations) through the deposit of other legally available moneys of the County as described above. Amounts in the Debt Service Reserve Account of the Obligation Fund may be invested at an unrestricted yield; however, such amounts are subject to the rebate requirements, as described below.

(b) *Reimbursement.* No portion of the Proceeds of the Obligations will be applied to reimburse the County for costs of the Projects paid more than sixty (60) days prior to the County's adoption of a declaration of official intent to finance the Projects on August 22, 2016, October 24, 2016, November 18, 2016, and January 4, 2017 (including all subsequent such declarations, if any), the forms of which are attached hereto as Exhibit C, with respect to the Obligations, except for preliminary expense amounts that do not exceed twenty percent (20%) of the Projects costs financed with the Proceeds of the Obligations that were applied to finance certain preliminary expenses with respect to the Projects. Preliminary expenses, for purposes of this exception, include architectural, engineering, surveying, soil testing, and similar costs incurred prior to the commencement of construction or rehabilitation of the Projects, but do not include land acquisition, site preparation, and similar costs incident to the commencement of construction or rehabilitation of the Projects. No portion of the Proceeds of the Obligations will be applied to reimburse the County for a cost more than eighteen (18) months after the original expenditure was paid or more than eighteen (18) months after the facility involved was placed-in-service or abandoned, whichever was later, but in no event more than three (3) years after the cost was paid unless such cost was attributable to a preliminary expenditure, as described above. The County may also reimburse itself for costs of the Projects in an amount that, in the aggregate, does not exceed the lesser of \$100,000 or five percent (5%) of the Proceeds of the Obligations, and any Costs of Issuance applicable to the Obligations irrespective of the foregoing limitations. The amount reimbursed to the County, including for Costs of Issuance, is \$12,751,484.00. Detail regarding payment of such reimbursed expenses is included in Exhibit C attached hereto.

(c) *Weighted Average Maturity.* The Placement Agent has computed the weighted average maturity of the Obligations to be 8.3369 years, which does not exceed 120 percent of the weighted average reasonably expected economic life of the Projects.

(d) *No Hedge Bonds.* On the Issuance Date, not more than 50 percent of the proceeds of the sale of the Obligations will be invested in Nonpurpose investments having a substantially guaranteed yield for four years or more.

6. Arbitrage Rebate.

(a) *In General.* The Rebate Account will be funded to the extent required either from transfers from the other funds or from the County's general funds. The County shall deposit into the Rebate Account any payments received in accordance with this Certificate for purposes of paying rebate to the United States Treasury and so identified. The amount required to be held in the Rebate Account at any point in time will be determined in accordance with the requirements of the Code, including particularly Section 148(f) of the Code

and the Treasury Regulations promulgated pursuant thereto. Moneys in the Rebate Account are neither pledged to nor expected to be used to pay debt service on the Obligations.

(b) *Spending Exceptions.* The County will comply with requirements of the Code and the Regulations with respect to the payment of any rebate amount that may become due to the United States of America on the Obligations pursuant to Section 148(f) of the Code and relevant Regulations. The County expects that the Obligations will qualify for the 18-month spend down exception as defined in Regulations § 1.148-7(d) (the “Eighteen-Month Exception”) outlined below, or the 2-year spend down exception for construction issues as defined in Section 148(f)(4)(C)(iv) of the Code (the “Two-Year Construction Exception”). The County understands, however, that whether the Obligations qualify for either the Eighteen-Month Exception or the Two-Year Construction Exception will be based on actual facts occurring after the Obligations are executed and delivered, and also that amounts in the Debt Service Reserve Account are subject to the rebate requirement even if the Eighteen-Month Exception or the Two-Year Construction Exception are satisfied. Should the Obligations fail to satisfy the requirements for a spend down exception to rebate, the County will undertake to determine (or have determined on its behalf) the requirements with respect to the rebate provisions contained in Section 148(f) of the Code from time to time and will undertake to comply with any requirements that may be applicable to the Obligations. The County will undertake the methodology described in this Section, except to the extent inconsistent with any requirements of current or future law, regulations, or future guidance issued by the Internal Revenue Service or the United States of America, or if the County receives an opinion of nationally recognized bond counsel approving any exception thereto.

(i) *The Eighteen-Month Exception.* The Obligations will meet the spend-down requirements for the Eighteen Month Exception if the gross proceeds of the Obligations are allocated to expenditures for the Projects in accordance with the following schedule, measured from the date hereof:

- (A) At least 15 percent within six months;
- (B) At least 60 percent within twelve months; and
- (C) 100 percent within eighteen months.

The third and final spending requirement will be treated as met if the requirement would be met by such date but for a reasonable retainage, if the reasonable retainage is allocated to expenditures within 30 months of the issue date of the Obligations. Reasonable retainage for this purpose means an amount, not exceeding 5 percent of net proceeds as of the end of the third spending period, that is retained for reasonable business purposes relating to the Projects.

(ii) *The Two-Year Construction Exception.* For purposes of the Two-Year Construction Exception, the portion of the Obligations that will be the construction issue equals that portion of the proceeds used to finance the Projects (which is the entire issue) (for this purpose, the “*Construction Issue*”).

(A) At least 75 percent of the available construction proceeds of the Construction Issue will be used for construction expenditures for facilities to be owned by the County.

(B) The Construction Issue will meet the spend-down requirements for the Two-Year Construction Exception if the following spending requirements are met:

(1) At least 10 percent of the available construction proceeds are spent for the governmental purposes of the County within the 6-month period beginning on the date the Obligations are issued;

(2) At least 45 percent of such proceeds are spent for such purposes within the 1-year period after the Obligations are issued;

(3) At least 75 percent of such proceeds are spent for such purposes within the 18-month period after the Obligations are issued; and

(4) 100 percent of such proceeds are spent for such purposes within the 2-year period after the Obligations are issued.

The fourth spending requirement will be treated as met if the requirement would be met by such date but for a reasonable retainage (not exceeding 5 percent of the available construction proceeds), and 100 percent of the available construction proceeds are spent within the 3-year period after the Obligations are issued. In addition, any failure to meet the final spending requirement will be disregarded if the County exercises due diligence to complete the Projects, and the amount of the failure does not exceed the lesser of 3 percent of the issue price of the Construction Issue or \$250,000. For the Construction Issue, this amount will be \$250,000.

(C) For purposes of the Two-Year Construction Exception, the County does not elect to pay a penalty in lieu of rebate as provided for in Section 148(f)(4)(C)(vii) of the Code, and the County does not elect to include earnings on the Debt Service Reserve Account as “available construction proceeds.”

(c) *Records.* Detailed records with respect to each and every nonpurpose investment attributable to gross proceeds will be maintained by or on behalf of the County, including (i) purchase date, (ii) purchase price, (iii) any accrued interest paid, (iv) face amount, (v) coupon rate, (vi) periodicity of interest payments, (vii) disposition price, (viii) any accrued interest received, (ix) disposition date, and (x) broker’s fees. Such detailed record keeping is required for the calculation, if necessary, of the rebate amount (within the meaning of Regulations § 1.148-3) which, in part, will require a determination of the difference between the

actual aggregate earnings of all nonpurpose investments and the amount of such earnings assuming a rate of return equal to the yield on the Obligations. Records with respect to the investments and other matters relating to the Obligations will be kept for 3 years after the final maturity or earlier retirement of the Obligations.

(d) *Rebate Calculations.* A calculation of the rebate amount with respect to the Obligations consistent with the rules described in this Section will be prepared.

(i) This calculation may include a detailed description of how the Obligations meet either the Eighteen-Month Exception or the Two-Year Construction Exception (or any other applicable spend down exception pursuant to Section 148 of the Code and Regulations § 1.148-7). The County will prepare or cause to be prepared the calculation of the rebate amount (i) within 55 days after the close of the fifth Bond Year and each fifth bond year thereafter so long as any Obligations remain unpaid, and (ii) within 55 days after the first date on which there are no unpaid Obligations. Not later than 55 days after the end of the fifth bond year and each fifth bond year thereafter so long as any Obligations remain unpaid, and within 55 days after the last Obligations are paid, the County shall deposit an amount necessary to increase the sum held in the Rebate Fund to the rebate amount.

(ii) For purposes of calculating the rebate amount (i) the aggregate amount earned with respect to a nonpurpose investment will be determined by assuming that the nonpurpose investment was acquired for an amount equal to its value at the time it becomes a nonpurpose investment, and (ii) the aggregate amount earned with respect to any nonpurpose investment will include any unrealized gain or loss with respect to the nonpurpose investment on the first date when there are no unpaid Obligations or when the investment ceases to be a nonpurpose investment.

(e) *Payment.* The County will pay to the United States of America, out of designated funds (i) not later than 60 days after the end of each fifth bond year, a payment equal to at least 90 percent of the rebate amount with respect to the Obligations, calculated as of the end of such fifth bond year, and (ii) not later than 60 days after the first date when there are no unpaid Obligations, an amount equal to 100 percent of the rebate amount (determined as of the first date when there are no unpaid Obligations) plus any actual or imputed earnings on such rebate amount, all as set forth in Regulations §§ 1.148-1 through 1.148-11 and as determined by or on behalf of the County.

7. No Private Activity Bond.

(a) *Private Business Use Test.* The amount of issue proceeds used or to be used, directly or indirectly, in a private trade or business use has not and will not exceed in the aggregate the lesser of \$15,000,000 or 10 percent of the issue proceeds.

(b) *No Private Security.* No payment of principal or interest on the Obligations will be secured, directly or indirectly, by any interest in property used in a private trade or business or payments with respect to such property.

(c) *Unrelated or Disproportionate Private Use.* Directly or indirectly, no issue proceeds are used in a private trade or business that is (i) unrelated to a governmental purpose of the Obligations, and (ii) related to but in excess of the issue proceeds used for the related governmental purpose of the Obligations. The amount of issue proceeds to be so used will not exceed 5 percent of the issue proceeds.

(d) *No Output Facilities.* (i) The amount of issue proceeds to be used with respect to output facilities, other than facilities for the furnishing of water, will be less than 5 percent of the issue proceeds, and (ii) the amount of issue proceeds used to acquire nongovernmental output property, other than property for the furnishing of water, will not exceed the lesser of 5 percent of the issue proceeds or \$5,000,000.

(e) *No Private Loan Financing.* (i) The amount of issue proceeds to be used directly or indirectly to make or finance loans to third parties will not exceed the lesser of 5 percent of the issue proceeds or \$5,000,000, and (ii) the County neither has, nor will have, any separate tax or assessment payment agreement with any person with respect to any project that differs from the County's tax or assessment payment policies that apply generally to the public. For purposes of this Section, the term "loan" does not include any loan that enables the borrower to finance any governmental tax or assessment of general application imposed for one or more specific essential governmental functions or any loan that is a nonpurpose investment.

(f) *Management Contracts.* The County has not entered into and will not enter into any management contract with respect to the Projects that does not satisfy the safe-harbor requirements as set forth in either Revenue Procedure 2017-13 or the safe harbors contained in Revenue Procedure 97-13, as modified by Rev. Proc. 2001-39 and as amplified by Notice 2014-67. The County will consult with Special Counsel as necessary to insure compliance with this Section 7(f).

(g) *Exception for Disposition of Personal Property.* In connection with any personal property financed by the Obligations, (i) any sale or other disposition of such property will occur only in the ordinary course of an established governmental program, (ii) the weighted average maturity of the Obligations financing such property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes, (iii) it is reasonably expected on the Issuance Date that the fair market value of any such property that may be disposed of prior to the final maturity of the Obligations, on the date of disposition will not be more than 25 percent of its cost, (iv) on the date of any such disposition, the property will no longer be suitable for its governmental purposes, and (v) all amounts received from the disposition will be deposited into a fund with substantial tax or other government revenues and expended for governmental purposes within 6 months of the date of deposit

(h) *Use of Proceeds Binding so Long as Obligations Outstanding.* The issue proceeds shall be used solely to finance the costs of the Projects and, prior to the final maturity and payment of the Obligations, the County shall not take any action within its control that would cause the issue proceeds of the Obligations or the Projects to be financed thereby to be used in a manner that would violate the representations and covenants contained in this Section or cause the Obligations to be "private activity bonds" within the meaning of Code section 141. The County reasonably expects on the Issuance Date that it will comply with the

certifications of this Section and that it will take no action within its control prior to the final maturity and payment of the Obligations to cause such certifications to be violated.

8. Other Tax Representations.

(a) *No Composite Issues.* (i) No other tax-exempt obligations of the County that are reasonably expected to be paid from substantially the same source of funds as the Obligations have been sold fewer than 15 days prior to, or will be sold fewer than 15 days after, the sale date of the Obligations, pursuant to the same plan of financing, and (ii) the Obligations are not sold under a common marketing arrangement with obligations of another issuer.

(b) *No Federal Guarantees.* Except for proceeds of the Obligations (i) invested for the applicable initial temporary period, (ii) held in a bona fide debt service fund or a reserve fund meeting the requirements of Code section 148(d), (iii) invested in obligations issued by the United States Treasury, or (iv) otherwise eligible for the exceptions set out in Code section 149(b)(3): (1) no portion of the payment of principal or interest with respect to the Obligations is or will be guaranteed, directly or indirectly, by the United States (or any agency or instrumentality thereof); and (2) less than 5 percent of the proceeds of the Obligations will be used in making loans the payment of principal or interest with respect to which is to be guaranteed, in whole or in part, by the United States (or any agency or instrumentality thereof), or invested, directly or indirectly, in federally insured deposits or accounts, but only to the extent such investment is so insured.

(c) *Information Return.* The County covenants that it shall cause an information statement on Form 8038-G to be completed accurately, and executed and submitted to the Secretary of the United States Treasury or the Secretary's delegate no later than the 15th day of the 2nd calendar month after the close of the calendar quarter in which the Issuance Date occurs.

(d) *Hedges.* The County has not entered into, nor does it expect to enter into any hedge (*e.g.*, an interest rate swap, interest rate cap, futures contract, forward contract, or an option) with respect to the Obligations. The County acknowledges that any such hedge could affect the calculation of the Yield under the Regulations, and that the Internal Revenue Service could recalculate Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction.

(e) *No Abusive Transactions.* The County has not employed a device or entered into any arrangements or understandings in connection with the execution and delivery of the Obligations, or in connection with any transaction or series of transactions related to the execution and delivery of the Obligations, to obtain a material financial advantage based on arbitrage. The County will not realize any material financial advantage based on arbitrage in connection with the execution and delivery of the Obligations, or in connection with any transaction or series of transactions related to the execution and delivery of the Obligations. In particular, the County will not receive a rebate or credit resulting from any payments having been made in connection with the execution and delivery of the Obligations.

9. Written Policies Evidencing Compliance with Code and Regulations.
Attached as *Exhibit D* to this Certificate are the County's Tax Compliance Policy and Rebate Instructions, which the County agrees to maintain, and with which the County agrees to comply, for the purposes of satisfying the tax-exempt bond provisions of the Code and Regulations applicable to the Obligations.

[Signature page follows.]

Dated: February 9, 2017.



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

EXHIBIT A

PROJECT LIST

The Projects include construction, expansion and improvement of sewer treatment facilities and conveyance systems for the System, including the following:

Program Code	Program Name
CWW.3MRP17	Minor Rehabilitation Projects FY 16/17
CWW.3SEI13	South East Interceptor Augmentation
CWW.3NRI14	North Rillito Interceptor Rehabilitation
CWW.3MRP18	Minor Rehabilitation Projects FY 17/18
CWW.3CRS05	Continental Ranch Pump Station Facility Modifications
CWW.3ASC15	Old Nogales Interceptor Augmentation - New Aerospace Corridor Sewer
CWW.3TRI16	Tres Rios Wastewater Reclamation Facility Existing Infrastructure Upgrades Project
CWW.3SCP06	Sabino Creek Pump Station
CWW.3MR717	Sewer Manhole Rehabilitation #7
CWW.3CDT22	Corona de Tucson Wastewater Treatment Facility UV Disinfection & Filtration
CWW.3TFM13	Tangerine Rd Force Main Relocation
CWW.3II105	ADOT - Ina Rd and I-10 Sewer Modifications
CWW.3GVE14	Green Valley WRF -Future Development Plan
CWW.3EOB16	Emergency Overflow Basin #4 Creation
CWW.322AS5	22nd Street Alvernon Way to Swan Road Augmentation
CWW.3BBUMP	Tres Rios Wastewater Reclamation Facility Nutrient Recovery Project
CWW.3PPS13	Principal Pump Station
CWW.3ICB15	Two Additional Centrifuge Sludge Screens - Tres Rios Wastewater Reclamation Facility
CWW.3AI195	ADOT – W Ajo Way & I-19 Sewer Modifications
CWW.3ASP14	State Prison Pump Station Rehabilitation
CWW.3BWA16	Black Wash Augmentation
CWW.3CDA16	Broadway Blvd. Augmentation – N. Chantilly to N. Craycroft
CWW.3CSU04	Conveyance Scada System Upgrade Richey Rd to Ina Rd
CWW.3FGS17	PC Fairgrounds WRF Connection to Existing Conveyance System
CWW.3LTS14	La Tierra Pump Station Conversion to Gravity Sewer
CWW.3MRP16	Minor Rehabilitation Projects FY 15/16
CWW.3RRP15	Roger Rd Treatment Plant Entry Post-Closure Implement
CWW.3SHT16	Tres Rios Sludge Holding Tank
CWW.SIR14	Ina Rd Existing Plant Scada Upgrades
CWW.3SNI13	Scada WAN Infrastructure Upgrade
CWW.3SR863	ADOT SR86 Valencia Rd to Kinney Rd

EXHIBIT B

CERTIFICATE OF PLACEMENT AGENT

The undersigned, on behalf of RBC Capital Markets, LLC as placement agent (the “*Placement Agent*”) for the Obligations identified in the Certificate to which this is attached as Exhibit B (the “*Issue*”), executed and delivered for the benefit of Pima County, Arizona (the “*Issuer*”), based on her or his knowledge regarding the placement of the Issue, certifies as of this date as follows (terms used but not otherwise defined herein have the meanings set forth in the Certificate to which this is attached as *Exhibit B*):

We have calculated the Yield on the Issue to be 2.7702 percent in accordance with the instructions provided by Greenberg Traurig, LLP (“*Special Counsel*”) set forth in the Certificate to which this is attached as *Exhibit B*. For this purpose, \$45,000,000.00 has been used to calculate the Yield, representing the principal amount of the Obligations.

To the extent that we provided the Issuer and Special Counsel with certain computations that show the Yield, issue price, weighted average maturity and certain other information with respect to the Issue, these computations are provided for informational purposes and are based on our understanding of directions that we have received from Special Counsel regarding interpretation of the applicable law. We express no view regarding the legal sufficiency of any such computations or the correctness of any legal interpretation made by special counsel.

The Issuer may rely on the foregoing representations in making its certification as to issue price of the Issue under the Internal Revenue Code of 1986, as amended (the “Code”), and special counsel may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest evidenced by the Issue; provided, however, that nothing herein represents our interpretation of any laws, and in particular, regulations under Section 148 of the Code.

We have made these representations with the express understanding and agreement of Special Counsel and the Issuer that, notwithstanding the performance of these calculations and the delivery of this letter: (i) in doing so we are not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act), (ii) we do not have a fiduciary duty to the Issuer, and (iii) we are not to be construed as a “paid preparer” of any tax returns of the Issuer, including specifically (but not limited to) Form 8038-G.

Dated: February 9, 2017

RBC CAPITAL MARKETS, LLC

By 

Kurt Freund, Managing Director

EXHIBIT C

REIMBURSED ASSETS AND DECLARATIONS OF OFFICIAL INTENT

Project	Project Name	Amount
CWW.322AS5	WW – 22nd St Alvernon Way to Swan Rd Augmentation	\$ 76,305.00
CWW.3AI195	WW – ADOT – W Ajo Way & I-19 Sewer Modifications	1,359.00
CWW.3ASC15	WW – Old Nogales Interc. Aug – New Aerospace Corr Sewer	148,081.00
CWW.3ASP14	WW – State Prison Pump Station Rehabilitation FY 13/14	9,395.00
CWW.3BBUMP	Tres Rios WRF Nutrient Recovery Project	32,209.00
CWW.3BWA16	WW – Black Wash Augmentation	1,789.00
CWW.3CDA16	WW – Broadway Blvd. Augmentation – N. Chantilly to N. Crayc	13,083.00
CWW.3CRS05	WW – CRRPS Facility Modifications	503.00
CWW.3CSU04	WW – Conveyance SCADA System Upgrade Richey Rd to Ina Rd	6,893.00
CWW.3EOB16	WW – Emergency Overflow Basin #4 Creation	249,282.00
CWW.3FGS17	WW – PC Fairgrounds WRF Connection to Existing Conveyance SY	413.00
CWW.3GVE14	WW – Green Valley WRF- Future Development Plan FY 13/14	65,295.00
CWW.3ICB15	WW – Two Additional Centrifuge Sludge Screens – Tres Rios WRF	250.00
CWW.3II105	WW – ADOT – Ina Rd & I-10 Sewer Modifications	1,413,502.00
CWW.3LTS14	WW – La Tierra Pump Station Conversion to Gravity Sewer	41,033.00
CWW.3MR717	WW – Sewer Manhole Rehabilitation #7	281.00
CWW.3MRP16	WW – Minor Rehabilitation Projects FY15/16	2.00
CWW.3MRP17	WW – Minor Rehabilitation Projects FY16/17	332,299.00
CWW.3NRI14	WW – North Rillito Interceptor Rehabilitation	5,954,185.00
CWW.3RRP15	WW – Roger Rd Treatment Plant Entry Post-closure Implement	11,969.00
CWW.3SCP06	WW – Sabino Creek Pump Station	340,098.00
CWW.3SEI13	WW – SE Interceptor Augmentation	3,867,144.00
CWW.3SHT16	WW – Tres Rios Sludge Holding Tank	250.00
CWW.3SIR14	WW – Ina Rd Existing Plant SCADA Upgrades	10,427.00
CWW.3SNI13	WW – SCADA WAN Infrastructure Upgrade	5,233.00
CWW.3SR863	WW – ADOT SR86 Valencia Rd to Kinney Rd	2,925.00
CWW.3TFM13	WW – Tangerine Rd Force Main Relocation	2,277.00
CWW.3TRI16	WW – Tres Rios WRF Existing Infrastructure Upgrades Project	165,002.00
Total:		\$12,751,484.00

**DECLARATION OF OFFICIAL INTENT
TO REIMBURSE
ORIGINAL EXPENDITURE
FROM PROCEEDS OF FUTURE DEBT ISSUANCES
Sewer Revenue Obligations
August 16, 2016**

Pursuant to Pima County Board of Supervisors Resolution No. 1997-194, Board Representatives may authorize Declarations of Official Intent to reimburse payments made by the County for original expenditures from proceeds of bonds, certificates of participation, or other obligations issued by or for the benefit of Pima County.

The undersigned is authorized to make this declaration on behalf of the Board of Supervisors of Pima County, Arizona (the "County") and hereby declares as follows:

1. This is a Declaration of Official Intent within the meaning of Treasury Regulations Section 1.150-2.

2. The Board intends and reasonably expects that the original expenditures made by the County more fully described in paragraph 3 will be reimbursed with proceeds of the Sewer Revenue Obligations to be issued by or for the benefit of the County in a maximum principal amount of \$51,793,147 to be issued over a series of installments for the projects described in paragraph 3.

3. The original expenditures to be reimbursed to the Regional Wastewater Reclamation Fund and referred to in paragraph 2 are for planning, design, acquisition, equipping and construction of the projects listed on the attached documentation.

Dated as of this 12 day of AUGUST, 2016.

PIMA COUNTY, ARIZONA

By: 
Keith Dommer
Board Representative

Project	Project Name	DOI Amount
CWW.322AS5	WW - 22ND ST ALVERNON WAY TO SWAN RD AUGMENTATION	795,000.00
CWW.3AI195	WW - ADOT - W AJO WAY & I-19 SEWER MODIFICATIONS	94,492.00
CWW.3ASC15	WW - OLD NOGALES INTERC. AUG - NEW AEROSPACE CORR SEWER	2,331,680.00
CWW.3ASP14	WW - STATE PRISON PUMP STATION REHABILITATION FY13/14	636,689.00
CWW.3AVB16	WW - NEW INFLUENT EMERGENCY OVERFLOW BASIN - AVRA VALLEY WRF	700,000.00
CWW.3AVM16	WW - AVRA VALLEY WRF VALVE & GATE MOTORIZED OPER. & SCADA IM	402.00
CWW.3BWA16	WW - BLACK WASH AUGMENTATION	893,000.00
CWW.3CDA16	WW - BROADWAY BLVD. AUGUMENTATION - N. CHANTILLY TO N. CRAYC	413,500.00
CWW.3CDS16	WW - CORONA DE TUCSON WRF INFLUENT SPLITTER BOX IMPROVEMENTS	2,113.00
CWW.3CDT22	WW - CORONA DE TUCSON WWTF UV DISINFECTION & FILTRATION	988,185.00
CWW.3CRP01	WW - SYSTEM-WIDE CONVEYANCE REHABILITATION PROGRAM	500,000.00
CWW.3CRS05	WW - CRRPS FACILITY MODIFICATIONS	4,480,841.00
CWW.3CSU04	WW - CONVEYANCE SCADA SYSTEM UPGRADE RICHEY RD TO INA RD	100,800.00
CWW.3DTL2A	WW - CITY OF TUCSON DOT DOWNTOWN LINKS PHASE 2&3	240,000.00
CWW.3EOB16	WW - EMERGENCY OVERFLOW BASIN #4 CREATION	980,331.00
CWW.3FGS17	WW - PC FAIRGROUNDS WRF CONNECTION TO EXISTING CONVEYANCE SY	50,000.00
CWW.3GOS01	WW - COTDOT GRANT RD CORRIDOR IMPROVEMENT SEWER UTILITY	32,000.00
CWW.3GVE14	WW - GREEN VALLEY WRF - FUTURE DEVELOPMENT PLAN FY13/14	1,000,000.00
CWW.3GVI16	WW - GREEN VALLEY PROCESS IMPROVEMENTS	2,057.00
CWW.3HBI06	WW - HOUGHTON RD BROADWAY BLVD INTERSECTION IMPROVE COTDOT	154,000.00
CWW.3ICB15	WW - TWO ADDITIONAL CENTRIFUGE SLUDGE SCREENS - TRES RIOS WRF	925,000.00
CWW.3II105	WW - ADOT - INA RD & I-10 SEWER MODIFICATIONS	1,545,000.00
CWW.3LTS14	WW - LA TIERRA PUMP STATION CONVERSION TO GRAVITY SEWER	473,830.00
CWW.3MMP17	WW - SEWER UTILITY MINOR MODIFICATION PROJECTS 2016/2017	100,000.00
CWW.3MR616	WW - SEWER MANHOLE REHABILITATION #6	1,000.00
CWW.3MR717	WW - SEWER MANHOLE REHABILITATION # 7	1,599,000.00
CWW.3MRP16	WW - MINOR REHABILITATION PROJECTS FY15/16	5,000.00
CWW.3MRP17	WW - MINOR REHABILITATION PROJECTS FY 16/17	9,995,000.00
CWW.3NRI14	WW - NORTH RILLITO INTERCEPTOR REHABILITATION	7,561,864.00
CWW.3PPS13	WW - PRINCIPAL PUMP STATION	119,704.00
CWW.3REW15	WW - ROAD EMBANKMENT WIDENING, ROGER RD WRF CLEAN CLOSURE	9,348.00
CWW.3RI105	WW - ADOT W RUTHRAUFF RD & INTERSTATE 10 SEWER MODIFICATIONS	100,000.00
CWW.3RIR11	WW - SIDE STREAM TREATMENT	1,671.00
CWW.3RRP15	WW - ROGER RD TREATMENT PLANT ENTRY POST-CLOSURE IMPLEMENT	1,696.00
CWW.3RWC12	WW - ROGER RD WRF CLEAN CLOSURE	402.00
CWW.3SAC15	WW - SPEEDWAY BLD AREA CAPACITY AUGMENTATION ALIGNMENT STUDY	121,000.00
CWW.3SCP06	WW - SABINO CREEK PUMP STATION	1,534,417.00
CWW.3SEI13	WW - SE INTERCEPTOR AUGMENTATION	9,233,418.00
CWW.3SHT16	WW - TRES RIOS SLUDGE HOLDING TANK	1,046,000.00
CWW.3SNI13	WW - SCADA WAN INFRASTRUCTURE UPGRADE	1,100,000.00
CWW.3SR863	WW - ADOT SR86 VALENCIA RD TO KINNEY RD	2,000.00
CWW.3SRF15	WW - SRF PARKING, PAVING & DRAINAGE IMPROVEMENTS	7,255.00
CWW.3SWT70	WW - SYSTEM WIDE TREATMENT REHABILITATION & ENHANCEMENT	10,000.00
CWW.3TFM13	WW - TANGERINE RD FORCE MAIN RELOCATION	290,000.00
CWW.3TRI16	WW - TRES RIOS WRF EXISTING INFRASTRUCTURE UPGRADES PROJECT	1,000,000.00
CWW.3TTHM6	WW - TOTAL TRIHALOMETHANE CONTROL THROUGH CENTRATE DOSING	452.00
CWW.3TTT01	WW - COTDOT 22ND ST I-10 TO TUCSON BLVD SEWER UTILITY	15,000.00
CWW.3WVS16	WW - AEROSPACE PARKWAY EXTENSION SEWER	600,000.00
GRAND TOTAL		<u>\$ 51,793,147.00</u>

**DECLARATION OF OFFICIAL INTENT
TO REIMBURSE
ORIGINAL EXPENDITURE
FROM PROCEEDS OF FUTURE DEBT ISSUANCES
Sewer Revenue Obligations
October 14, 2016**

Pursuant to Pima County Board of Supervisors Resolution No. 1997-194, Board Representatives may authorize Declarations of Official Intent to reimburse payments made by the County for original expenditures from proceeds of bonds, certificates of participation, or other obligations issued by or for the benefit of Pima County.

The undersigned is authorized to make this declaration on behalf of the Board of Supervisors of Pima County, Arizona (the "County") and hereby declares as follows:

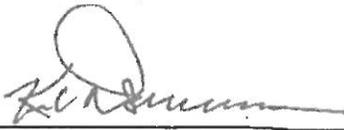
1. This is a Declaration of Official Intent within the meaning of Treasury Regulations Section 1.150-2.

2. The Board intends and reasonably expects that the original expenditures made by the County more fully described in paragraph 3 will be reimbursed with proceeds of the Sewer Revenue Obligations to be issued by or for the benefit of the County in a maximum principal amount of \$52,762,099 to be issued over a series of installments for the projects described in paragraph 3.

3. The original expenditures to be reimbursed to the Regional Wastewater Reclamation Fund and referred to in paragraph 2 are for planning, design, acquisition, equipping and construction of the projects listed on the attached documentation.

Dated as of this 24 day of OCTOBER, 2016.

PIMA COUNTY, ARIZONA

By: 
Keith Dommer
Board Representative

Project	Project Name	DOI Amount
CWW.322AS5	WW - 22ND ST ALVERNON WAY TO SWAN RD AUGMENTATION	494,407.00
CWW.3AI195	WW - ADOT - W AJO WAY & I-19 SEWER MODIFICATIONS	368,067.00
CWW.3ASC15	WW - OLD NOGALES INTERC. AUG - NEW AEROSPACE CORR SEWER	2,331,680.00
CWW.3ASP14	WW - STATE PRISON PUMP STATION REHABILITATION FY13/14	636,689.00
CWW.3AVB16	WW - NEW INFLUENT EMERGENCY OVERFLOW BASIN - AVRA VALLEY WRF	700,000.00
CWW.3AVM16	WW - AVRA VALLEY WRF VALVE & GATE MOTORIZED OPER. & SCADA IM	100,000.00
CWW.3BBUMP	TRES RIOS WRF NUTRIENT RECOVERY PROJECT	225,000.00
CWW.3BWA16	WW - BLACK WASH AUGMENTATION	893,000.00
CWW.3CCE15	WW - RWRD CONVEYANCE CAMPUS EXPANSION - DODGE BLVD FACILITY	11,783.00
CWW.3CDA16	WW - BROADWAY BLVD. AUGUMENTATION - N. CHANTILLY TO N. CRAYC	80,000.00
CWW.3CDS16	WW - CORONA DE TUCSON WRF INFLUENT SPLITTER BOX IMPROVEMENTS	5,000.00
CWW.3CDT22	WW - CORONA DE TUCSON WWTF UV DISINFECTION & FILTRATION	972,399.00
CWW.3CRP01	WW - SYSTEM-WIDE CONVEYANCE REHABILITATION PROGRAM	500,000.00
CWW.3CRS05	WW - CRRPS FACILITY MODIFICATIONS	4,480,841.00
CWW.3CSU04	WW - CONVEYANCE SCADA SYSTEM UPGRADE RICHEY RD TO INA RD	100,800.00
CWW.3DTL2A	WW - CITY OF TUCSON DOT DOWNTOWN LINKS PHASE 2&3	240,000.00
CWW.3EOB16	WW - EMERGENCY OVERFLOW BASIN #4 CREATION	746,840.00
CWW.3FGS17	WW - PC FAIRGROUNDS WRF CONNECTION TO EXISTING CONVEYANCE SY	50,000.00
CWW.3GOS01	WW - COTDOT GRANT RD CORRIDOR IMPROVEMENT SEWER UTILITY	32,000.00
CWW.3GVE14	WW - GREEN VALLEY WRF - FUTURE DEVELOPMENT PLAN FY13/14	1,000,000.00
CWW.3GVI16	WW - GREEN VALLEY PROCESS IMPROVEMENTS	134,962.00
CWW.3HBJ06	WW - HOUGHTON RD BROADWAY BLVD INTERSECTION IMPROVE COTDOT	154,000.00
CWW.3HSU13	WW - HANSON SOFTWARE UPGRADE TO VERSION 8	63,500.00
CWW.3ICB15	WW - TWO ADDITIONAL CENTRIFUGE SLUDGE SCREENS - TRES RIOS WRF	925,000.00
CWW.3II105	WW - ADOT - INA RD & I-10 SEWER MODIFICATIONS	1,437,000.00
CWW.3LTS14	WW - LA TIERRA PUMP STATION CONVERSION TO GRAVITY SEWER	547,040.00
CWW.3MMP17	WW - SEWER UTILITY MINOR MODIFICATION PROJECTS 2016/2017	100,000.00
CWW.3MR616	WW - SEWER MANHOLE REHABILITATION #6	2,527.00
CWW.3MR717	WW - SEWER MANHOLE REHABILITATION # 7	1,599,000.00
CWW.3MRP16	WW - MINOR REHABILITATION PROJECTS FY15/16	5,000.00
CWW.3MRP17	WW - MINOR REHABILITATION PROJECTS FY 16/17	9,995,000.00
CWW.3NRI14	WW - NORTH RILLITO INTERCEPTOR REHABILITATION	7,561,866.00
CWW.3PPS13	WW - PRINCIPAL PUMP STATION	119,704.00
CWW.3REW15	WW - ROAD EMBANKMENT WIDENING, ROGER RD WRF CLEAN CLOSURE	7,618.00
CWW.3RI105	WW - ADOT W RUTHRAUFF RD & INTERSTATE 10 SEWER MODIFICATIONS	100,000.00
CWW.3RIR09	WW - BIOGAS SALES AND UTILIZATION	8,407.00
CWW.3RIR11	WW - SIDE STREAM TREATMENT	26,231.00
CWW.3RRP15	WW - ROGER RD TREATMENT PLANT ENTRY POST-CLOSURE IMPLEMENT	239,000.00
CWW.3RWC12	WW - ROGER RD WRF CLEAN CLOSURE	100,000.00
CWW.3RWC15	WW - ADDITION TO RWRD CENTRAL LABORATORY	500.00
CWW.3SAC15	WW - SPEEDWAY BLD AREA CAPACITY AUGMENTATION ALIGNMENT STUDY	121,000.00
CWW.3SCP06	WW - SABINO CREEK PUMP STATION	1,534,417.00
CWW.3SEI13	WW - SE INTERCEPTOR AUGMENTATION	9,233,418.00
CWW.3SHT16	WW - TRES RIOS SLUDGE HOLDING TANK	1,046,000.00
CWW.3SIR14	WW - INA RD EXISTING PLANT SCADA UPGRADES	200,000.00
CWW.3SNI13	WW - SCADA WAN INFRASTRUCTURE UPGRADE	1,100,000.00
CWW.3SR863	WW - ADOT SR86 VALENCIA RD TO KINNEY RD	56,870.00
CWW.3SRF15	WW - SRF PARKING, PAVING & DRAINAGE IMPROVEMENTS	152,844.00
CWW.3TFM13	WW - TANGERINE RD FORCE MAIN RELOCATION	607,689.00
CWW.3TRI16	WW - TRES RIOS WRF EXISTING INFRASTRUCTURE UPGRADES PROJECT	1,000,000.00
CWW.3TTT01	WW - COTDOT 22ND ST I-10 TO TUCSON BLVD SEWER UTILITY	15,000.00
CWW.3WVS16	WW - AEROSPACE PARKWAY EXTENSION SEWER	600,000.00
Grand Total		52,762,099.00

**DECLARATION OF OFFICIAL INTENT
TO REIMBURSE
ORIGINAL EXPENDITURE
FROM PROCEEDS OF FUTURE DEBT ISSUANCES
Sewer Revenue Obligations
November 14, 2016**

Pursuant to Pima County Board of Supervisors Resolution No. 1997-194, Board Representatives may authorize Declarations of Official Intent to reimburse payments made by the County for original expenditures from proceeds of bonds, certificates of participation, or other obligations issued by or for the benefit of Pima County.

The undersigned is authorized to make this declaration on behalf of the Board of Supervisors of Pima County, Arizona (the "County") and hereby declares as follows:

1. This is a Declaration of Official Intent within the meaning of Treasury Regulations Section 1.150-2.

2. The Board intends and reasonably expects that the original expenditures made by the County more fully described in paragraph 3 will be reimbursed with proceeds of the Sewer Revenue Obligations to be issued by or for the benefit of the County in a maximum principal amount of \$53,846,760 to be issued over a series of installments for the projects described in paragraph 3.

3. The original expenditures to be reimbursed to the Regional Wastewater Reclamation Fund and referred to in paragraph 2 are for planning, design, acquisition, equipping and construction of the projects listed on the attached documentation.

Dated as of this 18 day of November 2016.

PIMA COUNTY, ARIZONA

By: 
Keith Dommer
Board Representative

Project	Project Name	DOI Amount
CWW.322AS5	WW - 22ND ST ALVERNON WAY TO SWAN RD AUGMENTATION	494,407.00
CWW.3AI195	WW - ADOT - W AJO WAY & I-19 SEWER MODIFICATIONS	368,067.00
CWW.3ASC15	WW - OLD NOGALES INTERC. AUG - NEW AEROSPACE CORR SEWER	2,331,680.00
CWW.3ASP14	WW - STATE PRISON PUMP STATION REHABILITATION FY13/14	636,689.00
CWW.3AVB16	WW - NEW INFLUENT EMERGENCY OVERFLOW BASIN - AVRA VALLEY WRF	700,000.00
CWW.3AVM16	WW - AVRA VALLEY WRF VALVE & GATE MOTORIZED OPER. & SCADA IM	248,336.00
CWW.3BBUMP	TRES RIOS WRF NUTRIENT RECOVERY PROJECT	225,000.00
CWW.3BWA16	WW - BLACK WASH AUGMENTATION	893,000.00
CWW.3CCE15	WW - RWRD CONVEYANCE CAMPUS EXPANSION - DODGE BLVD FACILITY	11,783.00
CWW.3CDA16	WW - BROADWAY BLVD. AUGUMENTATION - N. CHANTILLY TO N. CRAYC	80,000.00
CWW.3CDS16	WW - CORONA DE TUCSON WRF INFLUENT SPLITTER BOX IMPROVEMENTS	5,000.00
CWW.3CDT22	WW - CORONA DE TUCSON WWTF UV DISINFECTION & FILTRATION	972,399.00
CWW.3CRP01	WW - SYSTEM-WIDE CONVEYANCE REHABILITATION PROGRAM	500,000.00
CWW.3CRS05	WW - CRRPS FACILITY MODIFICATIONS	4,480,841.00
CWW.3CSU04	WW - CONVEYANCE SCADA SYSTEM UPGRADE RICHEY RD TO INA RD	100,800.00
CWW.3DTL2A	WW - CITY OF TUCSON DOT DOWNTOWN LINKS PHASE 2&3	240,000.00
CWW.3EOB16	WW - EMERGENCY OVERFLOW BASIN #4 CREATION	746,840.00
CWW.3FGS17	WW - PC FAIRGROUNDS WRF CONNECTION TO EXISTING CONVEYANCE SY	50,000.00
CWW.3GOS01	WW - COTDOT GRANT RD CORRIDOR IMPROVEMENT SEWER UTILITY	32,000.00
CWW.3GVE14	WW - GREEN VALLEY WRF - FUTURE DEVELOPMENT PLAN FY13/14	1,000,000.00
CWW.3GVI16	WW - GREEN VALLEY PROCESS IMPROVEMENTS	134,962.00
CWW.3HBI06	WW - HOUGHTON RD BROADWAY BLVD INTERSECTION IMPROVE COTDOT	154,000.00
CWW.3HSU13	WW - HANSON SOFTWARE UPGRADE TO VERSION 8	63,500.00
CWW.3ICB15	WW - TWO ADDITIONAL CENTRIFUGE SLUDGE SCREENS - TRES RIOS WRF	925,000.00
CWW.3II105	WW - ADOT - INA RD & I-10 SEWER MODIFICATIONS	1,437,000.00
CWW.3LTS14	WW - LA TIERRA PUMP STATION CONVERSION TO GRAVITY SEWER	547,040.00
CWW.3MMP17	WW - SEWER UTILITY MINOR MODIFICATION PROJECTS 2016/2017	100,000.00
CWW.3MR616	WW - SEWER MANHOLE REHABILITATION #6	2,527.91
CWW.3MR717	WW - SEWER MANHOLE REHABILITATION # 7	1,599,000.00
CWW.3MRP16	WW - MINOR REHABILITATION PROJECTS FY15/16	5,000.00
CWW.3MRP17	WW - MINOR REHABILITATION PROJECTS FY 16/17	9,995,000.00
CWW.3NRI14	WW - NORTH RILLITO INTERCEPTOR REHABILITATION	7,561,866.00
CWW.3PPS13	WW - PRINCIPAL PUMP STATION	119,704.00
CWW.3REW15	WW - ROAD EMBANKMENT WIDENING, ROGER RD WRF CLEAN CLOSURE	7,618.00
CWW.3RI105	WW - ADOT W RUTHRAUFF RD & INTERSTATE 10 SEWER MODIFICATIONS	100,000.00
CWW.3RIR09	WW - BIOGAS SALES AND UTILIZATION	8,409.26
CWW.3RIR11	WW - SIDE STREAM TREATMENT	26,231.00
CWW.3RRP15	WW - ROGER RD TREATMENT PLANT ENTRY POST-CLOSURE IMPLEMENT	239,000.00
CWW.3RWC12	WW - ROGER RD WRF CLEAN CLOSURE	100,000.00
CWW.3RWC15	WW - ADDITION TO RWRD CENTRAL LABORATORY	500.00
CWW.3SAC15	WW - SPEEDWAY BLD AREA CAPACITY AUGMENTATION ALIGNMENT STUDY	121,000.00
CWW.3SCP06	WW - SABINO CREEK PUMP STATION	1,534,417.00
CWW.3SEI13	WW - SE INTERCEPTOR AUGMENTATION	9,362,739.00
CWW.3SHT16	WW - TRES RIOS SLUDGE HOLDING TANK	1,046,000.00
CWW.3SIR14	WW - INA RD EXISTING PLANT SCADA UPGRADES	200,000.00
CWW.3SNI13	WW - SCADA WAN INFRASTRUCTURE UPGRADE	1,100,000.00
CWW.3SR863	WW - ADOT SR86 VALENCIA RD TO KINNEY RD	56,870.00
CWW.3SRF15	WW - SRF PARKING, PAVING & DRAINAGE IMPROVEMENTS	152,844.00
CWW.3TFM13	WW - TANGERINE RD FORCE MAIN RELOCATION	614,689.00
CWW.3TRI16	WW - TRES RIOS WRF EXISTING INFRASTRUCTURE UPGRADES PROJECT	1,800,000.00
CWW.3TTT01	WW - COTDOT 22ND ST I-10 TO TUCSON BLVD SEWER UTILITY	15,000.00
CWW.3WVS16	WW - AEROSPACE PARKWAY EXTENSION SEWER	600,000.00
Grand Total		53,846,759.17

**DECLARATION OF OFFICIAL INTENT
TO REIMBURSE
ORIGINAL EXPENDITURE
FROM PROCEEDS OF FUTURE DEBT ISSUANCES
Sewer Revenue Obligations
December 15, 2016**

Pursuant to Pima County Board of Supervisors Resolution No. 1997-194, Board Representatives may authorize Declarations of Official Intent to reimburse payments made by the County for original expenditures from proceeds of bonds, certificates of participation, or other obligations issued by or for the benefit of Pima County.

The undersigned is authorized to make this declaration on behalf of the Board of Supervisors of Pima County, Arizona (the "County") and hereby declares as follows:

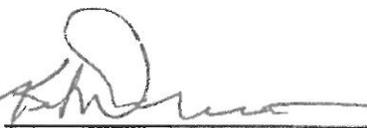
1. This is a Declaration of Official Intent within the meaning of Treasury Regulations Section 1.150-2.

2. The Board intends and reasonably expects that the original expenditures made by the County more fully described in paragraph 3 will be reimbursed with proceeds of the Sewer Revenue Obligations to be issued by or for the benefit of the County in a maximum principal amount of \$58,144,277 to be issued over a series of installments for the projects described in paragraph 3.

3. The original expenditures to be reimbursed to the Regional Wastewater Reclamation Fund and referred to in paragraph 2 are for planning, design, acquisition, equipping and construction of the projects listed on the attached documentation.

Dated as of this 4 day of JANUARY, 2017.

PIMA COUNTY, ARIZONA

By: 

Keith Dommer
Board Representative

Project	Project Name	DOI Amount
CWW.322AS5	WW - 22ND ST ALVERNON WAY TO SWAN RD AUGMENTATION	494,407.00
CWW.3AI195	WW - ADOT - W AJO WAY & I-19 SEWER MODIFICATIONS	625,000.00
CWW.3ASC15	WW - OLD NOGALES INTERC. AUG - NEW AEROSPACE CORR SEWER	2,331,680.00
CWW.3ASP14	WW - STATE PRISON PUMP STATION REHABILITATION FY13/14	636,689.00
CWW.3AVB16	WW - NEW INFLUENT EMERGENCY OVERFLOW BASIN - AVRA VALLEY WRF	700,000.00
CWW.3AVM16	WW - AVRA VALLEY WRF VALVE & GATE MOTORIZED OPER. & SCADA IM	248,336.00
CWW.3BBUMP	TRES RIOS WRF NUTRIENT RECOVERY PROJECT	225,000.00
CWW.3BWA16	WW - BLACK WASH AUGMENTATION	893,000.00
CWW.3CCE15	WW - RWRD CONVEYANCE CAMPUS EXPANSION - DODGE BLVD FACILITY	11,783.00
CWW.3CDA16	WW - BROADWAY BLVD. AUGUMENTATION - N. CHANTILLY TO N. CRAYC	80,000.00
CWW.3CDS16	WW - CORONA DE TUCSON WRF INFLUENT SPLITTER BOX IMPROVEMENTS	5,000.00
CWW.3CDT22	WW - CORONA DE TUCSON WWTF UV DISINFECTION & FILTRATION	972,399.00
CWW.3CRP01	WW - SYSTEM-WIDE CONVEYANCE REHABILITATION PROGRAM	500,000.00
CWW.3CRS05	WW - CRRPS FACILITY MODIFICATIONS	4,480,841.00
CWW.3CSU04	WW - CONVEYANCE SCADA SYSTEM UPGRADE RICHEY RD TO INA RD	100,800.00
CWW.3DTL2A	WW - CITY OF TUCSON DOT DOWNTOWN LINKS PHASE 2&3	240,000.00
CWW.3EOB16	WW - EMERGENCY OVERFLOW BASIN #4 CREATION	746,840.00
CWW.3FGS17	WW - PC FAIRGROUNDS WRF CONNECTION TO EXISTING CONVEYANCE SY	50,000.00
CWW.3GOS01	WW - COTDOT GRANT RD CORRIDOR IMPROVEMENT SEWER UTILITY	32,000.00
CWW.3GVE14	WW - GREEN VALLEY WRF - FUTURE DEVELOPMENT PLAN FY13/14	1,000,000.00
CWW.3GVI16	WW - GREEN VALLEY PROCESS IMPROVEMENTS	134,962.00
CWW.3HBI06	WW - HOUGHTON RD BROADWAY BLVD INTERSECTION IMPROVE COTDOT	154,000.00
CWW.3HSU13	WW - HANSON SOFTWARE UPGRADE TO VERSION 8	72,781.00
CWW.3ICB15	WW - TWO ADDITIONAL CENTRIFUGE SLUDGE SCREENS - TRES RIOS WRF	925,000.00
CWW.3II105	WW - ADOT - INA RD & I-10 SEWER MODIFICATIONS	1,437,000.00
CWW.3LTS14	WW - LA TIERRA PUMP STATION CONVERSION TO GRAVITY SEWER	578,343.00
CWW.3MMP17	WW - SEWER UTILITY MINOR MODIFICATION PROJECTS 2016/2017	100,000.00
CWW.3MR616	WW - SEWER MANHOLE REHABILITATION #6	2,527.91
CWW.3MR717	WW - SEWER MANHOLE REHABILITATION # 7	1,599,000.00
CWW.3MRP16	WW - MINOR REHABILITATION PROJECTS FY15/16	5,000.00
CWW.3MRP17	WW - MINOR REHABILITATION PROJECTS FY 16/17	13,995,000.00
CWW.3NRI14	WW - NORTH RILLITO INTERCEPTOR REHABILITATION	7,561,866.00
CWW.3PPS13	WW - PRINCIPAL PUMP STATION	119,704.00
CWW.3REW15	WW - ROAD EMBANKMENT WIDENING, ROGER RD WRF CLEAN CLOSURE	7,618.00
CWW.3RI105	WW - ADOT W RUTHRAUFF RD & INTERSTATE 10 SEWER MODIFICATIONS	100,000.00
CWW.3RIR09	WW - BIOGAS SALES AND UTILIZATION	8,409.26
CWW.3RIR11	WW - SIDE STREAM TREATMENT	26,231.00
CWW.3RRP15	WW - ROGER RD TREATMENT PLANT ENTRY POST-CLOSURE IMPLEMENT	239,000.00
CWW.3RWC12	WW - ROGER RD WRF CLEAN CLOSURE	100,000.00
CWW.3RWC15	WW - ADDITION TO RWRD CENTRAL LABORATORY	500.00
CWW.3SAC15	WW - SPEEDWAY BLD AREA CAPACITY AUGMENTATION ALIGNMENT STUDY	121,000.00
CWW.3SCP06	WW - SABINO CREEK PUMP STATION	1,534,417.00
CWW.3SEI13	WW - SE INTERCEPTOR AUGMENTATION	9,362,739.00
CWW.3SHT16	WW - TRES RIOS SLUDGE HOLDING TANK	1,046,000.00
CWW.3SIR14	WW - INA RD EXISTING PLANT SCADA UPGRADES	200,000.00
CWW.3SNI13	WW - SCADA WAN INFRASTRUCTURE UPGRADE	1,100,000.00
CWW.3SR863	WW - ADOT SR86 VALENCIA RD TO KINNEY RD	56,870.00
CWW.3SRF15	WW - SRF PARKING, PAVING & DRAINAGE IMPROVEMENTS	152,844.00
CWW.3TFM13	WW - TANGERINE RD FORCE MAIN RELOCATION	614,689.00
CWW.3TRI16	WW - TRES RIOS WRF EXISTING INFRASTRUCTURE UPGRADES PROJECT	1,800,000.00
CWW.3TTT01	WW - COTDOT 22ND ST I-10 TO TUCSON BLVD SEWER UTILITY	15,000.00
CWW.3WVS16	WW - AEROSPACE PARKWAY EXTENSION SEWER	600,000.00
Grand Total		58,144,276.17

2017 SRO 8038-G Detailed Transactions

Sum of Amount	Project Name	Period	Document Type	Document ID	Total
Project ID	Project Name	Period	Document Type	Document ID	Total
CWW.322AS5	WW - 22ND ST ALVERNON WAY TO SWAN RD AUGMENTATION	JAN	AD	AD170000000000039420	76,255.16
			JVD	1700000000000002183	50.00
	WW - 22ND ST ALVERNON WAY TO SWAN RD AUGMENTATION Total				76,305.16
CWW.322AS5 Total					76,305.16
CWW.3AI195	WW - ADOT - W AJO WAY & I-19 SEWER MODIFICATIONS	JAN	JVI	ADP2017010700000708	1,359.26
	WW - ADOT - W AJO WAY & I-19 SEWER MODIFICATIONS Total				1,359.26
CWW.3AI195 Total					1,359.26
CWW.3ASC15	WW - OLD NOGALES INTERC. AUG - NEW AEROSPACE CORR SEWER	JAN	AD	AD170000000000038042	86,269.71
				AD170000000000039537	56,349.91
			JVI	ADP2017010700000709	5,461.96
	WW - OLD NOGALES INTERC. AUG - NEW AEROSPACE CORR SEWER Total				148,081.58
CWW.3ASC15 Total					148,081.58
CWW.3ASP14	WW - STATE PRISON PUMP STATION REHABILITATION FY13/14	JAN	AD	AD170000000000038614	9,395.20
	WW - STATE PRISON PUMP STATION REHABILITATION FY13/14 Total				9,395.20
CWW.3ASP14 Total					9,395.20
CWW.3BBUMP	TRES RIOS WRF NUTRIENT RECOVERY PROJECT	JAN	AD	AD170000000000038460	69.52
				AD170000000000039043	31,126.00
			JVI	ADP2017010700000710	1,012.54
	TRES RIOS WRF NUTRIENT RECOVERY PROJECT Total				32,208.06
CWW.3BBUMP Total					32,208.06
CWW.3BWA16	WW - BLACK WASH AUGMENTATION	JAN	AD	AD170000000000036450	767.75
			JVI	ADP2017010700000711	1,021.71
	WW - BLACK WASH AUGMENTATION Total				1,789.46
CWW.3BWA16 Total					1,789.46
CWW.3CDA16	WW - BROADWAY BLVD. AUGUMENTATION - N. CHANTILLY TO N. CRAYC	JAN	AD	AD170000000000036478	10,457.67
				AD170000000000040424	290.00
			JVI	ADP2017010700000712	85.16
			PR	1700000000000015892	2,250.00
	WW - BROADWAY BLVD. AUGUMENTATION - N. CHANTILLY TO N. CRAYC Total				13,082.83
CWW.3CDA16 Total					13,082.83
CWW.3CRS05	WW - CRRPS FACILITY MODIFICATIONS	JAN	PRC	1700000000000032431	503.00
	WW - CRRPS FACILITY MODIFICATIONS Total				503.00
CWW.3CRS05 Total					503.00
CWW.3CSU04	WW - CONVEYANCE SCADA SYSTEM UPGRADE RICHEY RD TO INA RD	JAN	AD	AD170000000000038042	6,892.93
	WW - CONVEYANCE SCADA SYSTEM UPGRADE RICHEY RD TO INA RD Total				6,892.93
CWW.3CSU04 Total					6,892.93
CWW.3EOB16	WW - EMERGENCY OVERFLOW BASIN #4 CREATION	JAN	AD	AD170000000000039517	249,282.00
	WW - EMERGENCY OVERFLOW BASIN #4 CREATION Total				249,282.00
CWW.3EOB16 Total					249,282.00
CWW.3FGS17	WW - PC FAIRGROUNDS WRF CONNECTION TO EXISTING CONVEYANCE SY	JAN	JVI	ADP2017010700000715	412.80
	WW - PC FAIRGROUNDS WRF CONNECTION TO EXISTING CONVEYANCE SY Total				412.80
CWW.3FGS17 Total					412.80
CWW.3GVE14	WW - GREEN VALLEY WRF - FUTURE DEVELOPMENT PLAN FY13/14	JAN	AD	AD170000000000036761	61,638.08
			JVI	ADP2017010700000716	3,656.85
	WW - GREEN VALLEY WRF - FUTURE DEVELOPMENT PLAN FY13/14 Total				65,294.93
CWW.3GVE14 Total					65,294.93
CWW.3ICB15	WW - TWO ADDITIONAL CENTRIFUGE SLUDGE SCREENS - TRES RIOS WRF	JAN	JVI	ADP2017010700000717	249.84
	WW - TWO ADDITIONAL CENTRIFUGE SLUDGE SCREENS - TRES RIOS WRF Total				249.84

2017 SRO 8038-G Detailed Transactions

Sum of Amount Project ID	Project Name	Period	Document Type	Document ID	Total
CWW.3ICB15 Total					249.84
CWW.3II105	WW - ADOT - INA RD & I-10 SEWER MODIFICATIONS	JAN	JVI	ADP2017010700000718	1,699.10
			PRC	1700000000000029620	1,016.31
				17000000000000031776	102,307.95
		OCT	JVI	ADP2016102900000714	11.42
		NOV	JVC	HSAALOC100120160006	8.65
				HSAALOC100120160010	12.50
				HSAALOC100120160011	5.77
				HSAALOC101520160006	8.17
				HSAALOC101520160010	4.33
			JVI	ADP2016111200000710	1,891.23
				ADP2016112600000719	1,226.44
			PRC	1700000000000020918	1,272,584.00
				1700000000000026825	28,754.00
		DEC	JVC	HSAALOC102920160006	10.10
				HSAALOC111220160005	6.25
				HSAALOC112620160005	4.81
				HSAALOC112620160009	2.40
			JVI	ADP2016121000000725	1,364.75
				ADP2016122400000714	2,238.82
			PRC	1700000000000024369	339.65
				1700000000000025295	5.55
	WW - ADOT - INA RD & I-10 SEWER MODIFICATIONS Total				1,413,502.20
CWW.3II105 Total					1,413,502.20
CWW.3LTS14	WW - LA TIERRA PUMP STATION CONVERSION TO GRAVITY SEWER	JAN	AD	AD170000000000037931	41,032.78
	WW - LA TIERRA PUMP STATION CONVERSION TO GRAVITY SEWER Total				41,032.78
CWW.3LTS14 Total					41,032.78
CWW.3MR717	WW - SEWER MANHOLE REHABILITATION # 7	JAN	JVI	ADP2017010700000719	281.00
	WW - SEWER MANHOLE REHABILITATION # 7 Total				281.00
CWW.3MR717 Total					281.00
CWW.3MRP16	WW - MINOR REHABILITATION PROJECTS FY15/16	JAN	JVCM	1700000000000000054	2.00
	WW - MINOR REHABILITATION PROJECTS FY15/16 Total				2.00
CWW.3MRP16 Total					2.00
CWW.3MRP17	WW - MINOR REHABILITATION PROJECTS FY 16/17	JAN	AD	AD170000000000037931	4,720.00
				AD170000000000039420	242,974.82
				AD170000000000039687	61,505.17
			IETM	TL104275	55.00
				TL105633	49.50
			JVI	ADP2017010700000720	22,993.84
	WW - MINOR REHABILITATION PROJECTS FY 16/17 Total				332,298.33
CWW.3MRP17 Total					332,298.33
CWW.3NRI14	WW - NORTH RILLITO INTERCEPTOR REHABILITATION	JAN	AD	AD170000000000035297	4,531.00
			IET	170000000000000218	967.46
				FSBL1700000000000046	1,308.00
			JVC	HSAALOC121020160006	30.77
				HSAALOC121020160017	2.01
				HSAALOC121020160020	11.12
				HSAALOC122420160005	15.38
				HSAALOC122420160017	10.05
			JVD	1700000000000001931	227.00

2017 SRO 8038-G Detailed Transactions

Sum of Amount Project ID	Project Name	Period	Document Type	Document ID	Total
		JAN	JVI	ADP2017010700000721	5,487.55
				ADP2017012100000728	9,910.49
		JUL	AD	AD17000000000001621	5,100.00
			IET	FSBL1700000000000008	679.19
			JVI	ADP2016070900000721	2,095.54
				ADP2016072300000718	4,303.37
		AUG	AD	AD17000000000009502	7,000.00
			IET	FSBL1700000000000014	654.00
			JVC	HSADISBCOR2017CYC105	(200.00)
				HSADISBCOR2017CYC106	(175.00)
				HSADISBCOR2017CYC114	(75.00)
			JVI	ADP2016080600000730	10,530.41
				ADP2016082000000728	9,901.77
		SEP	AD	AD170000000000015725	65,307.80
			IET	FSBL1700000000000021	678.96
			JVC	HSAALLOC072320160005	23.08
				HSAALLOC072320160008	3.85
				HSAALLOC080620160005	17.31
				HSAALLOC080620160006	26.92
				HSAALLOC080620160009	3.85
				HSAALLOC080620160012	1.92
				HSAALLOC080620160013	7.26
				HSAALLOC080620160019	10.23
				HSAALLOC082020160005	28.84
				HSAALLOC082020160006	23.08
				HSAALLOC082020160019	16.70
				HSAALLOC090320160006	25.00
				HSAALLOC090320160011	7.69
				HSAALLOC090320160020	4.96
				HSADISBCOR2017CYC108	(37.50)
			JVI	ADP2016090300000726	6,900.32
				ADP20160917B0000724	14,284.70
		OCT	AD	AD170000000000019324	176,419.76
				AD170000000000021083	4,493.68
				AD170000000000021853	3,126.35
				AD170000000000022071	2,140.94
				AD170000000000022435	147,848.34
			IET	1700000000000000114	456.62
			JVC	HSAALLOC091720160006	57.69
				HSAALLOC091720160008	0.96
				HSAALLOC091720160011	7.69
				HSAALLOC091720160016	5.84
				HSAALLOC091720160019	23.00
			JVI	ADP2016100100000723	14,872.86
				ADP2016101500000724	10,187.93
				ADP2016102900000718	13,213.17
		NOV	AD	AD170000000000026065	1,915,748.07
			IET	FSBL1700000000000034	654.00
			JVC	HSAALLOC100120160005	26.92
				HSAALLOC100120160006	25.00

2017 SRO 8038-G Detailed Transactions

Sum of Amount Project ID	Project Name	Period	Document Type	Document ID	Total
		NOV	JVC	HSAALLOC100120160011	7.69
				HSAALLOC100120160016	4.19
				HSAALLOC100120160018	34.11
				HSAALLOC100120160019	6.13
				HSAALLOC101520160005	23.08
				HSAALLOC101520160006	21.15
				HSAALLOC101520160015	2.91
				HSAALLOC101520160017	26.27
			JVI	ADP201611200000714	7,803.77
				ADP201611260000722	13,133.55
		DEC	AD	AD17000000000034801	1,092,761.45
			IET	FSBL170000000000040	690.47
			JVC	HSAALLOC102920160006	69.23
				HSAALLOC102920160018	20.01
				HSAALLOC111220160006	25.00
				HSAALLOC111220160010	2.88
				HSAALLOC111220160018	11.71
				HSAALLOC112620160005	82.69
				HSAALLOC112620160016	10.02
			JVI	ADP201612100000729	8,142.29
				ADP201612240000717	7,198.95
		JUN-16	JV	170000000000000362	2,067,671.71
				170000000000000372	317,476.99
	WW - NORTH RILLITO INTERCEPTOR REHABILITATION Total				5,954,185.15
CWW.3NRI14 Total					5,954,185.15
CWW.3RRP15	WW - ROGER RD TREATMENT PLANT ENTRY POST-CLOSURE IMPLEMENT	JAN	AD	AD17000000000038518	11,753.75
			IETM	TL105187	54.99
				TL105597	58.50
				TL105801	14.04
			JVI	ADP201701070000722	87.68
	WW - ROGER RD TREATMENT PLANT ENTRY POST-CLOSURE IMPLEMENT Total				11,968.96
CWW.3RRP15 Total					11,968.96
CWW.3SCP06	WW - SABINO CREEK PUMP STATION	JAN	AD	AD17000000000038081	339,591.00
			JVD	170000000000002116	375.00
			JVI	ADP201701070000723	132.46
	WW - SABINO CREEK PUMP STATION Total				340,098.46
CWW.3SCP06 Total					340,098.46
CWW.3SEI13	WW - SE INTERCEPTOR AUGMENTATION	JAN	JVI	ADP201701070000724	10,882.84
			PRC	170000000000029206	6.60
				170000000000031350	216,434.00
				170000000000031856	8,734.09
				170000000000032660	551,095.71
		OCT	PR	170000000000008408	58.00
				170000000000008461	451,200.00
			PRC	170000000000017150	666,639.08
		NOV	IET	FSBL170000000000034	1,452.17
				FSBL170000000000038	196.20
			JVC	HSAALLOC100120160006	34.14
			JVI	ADP201611260000726	9,846.31
			PR	170000000000011508	85,968.00

2017 SRO 8038-G Detailed Transactions

Sum of Amount Project ID	Project Name	Period	Document Type	Document ID	Total
		NOV	PRC	17000000000000021195	24,762.50
				17000000000000021647	667,084.35
		DEC	IET	FSBL1700000000000040	1,497.19
			JVC	HSAALLOC102920160006	33.66
				HSAALLOC102920160009	3.85
				HSAALLOC102920160010	25.96
				HSAALLOC111220160005	11.06
				HSAALLOC111220160006	21.15
				HSAALLOC111220160010	20.19
				HSAALLOC111220160015	4.34
				HSAALLOC112620160005	30.29
				HSAALLOC112620160006	3.37
				HSAALLOC112620160008	3.85
				HSAALLOC112620160009	14.90
				HSAALLOC112620160014	6.24
			JVD	1700000000000001640	(17.00)
				1700000000000001826	76,237.71
			JVI	ADP2016121000000733	19,580.99
				ADP2016122400000720	12,092.41
			PR	17000000000000013801	6,800.00
			PRC	17000000000000026659	2,000.00
				17000000000000027871	28,982.17
				17000000000000028674	1,025,396.86
	WW - SE INTERCEPTOR AUGMENTATION Total				3,867,143.18
CWW.3SEI13 Total					3,867,143.18
CWW.3SHT16	WW - TRES RIOS SLUDGE HOLDING TANK	JAN	JVI	ADP2017010700000725	249.82
	WW - TRES RIOS SLUDGE HOLDING TANK Total				249.82
CWW.3SHT16 Total					249.82
CWW.3SIR14	WW - INA RD EXISTING PLANT SCADA UPGRADES	JAN	AD	AD170000000000039043	10,177.00
			JVI	ADP2017010700000726	249.84
	WW - INA RD EXISTING PLANT SCADA UPGRADES Total				10,426.84
CWW.3SIR14 Total					10,426.84
CWW.3SNI13	WW - SCADA WAN INFRASTRUCTURE UPGRADE	JAN	AD	AD170000000000036504	4,983.23
			JVI	ADP2017010700000727	249.82
	WW - SCADA WAN INFRASTRUCTURE UPGRADE Total				5,233.05
CWW.3SNI13 Total					5,233.05
CWW.3SR863	WW - ADOT SR86 VALENCIA RD TO KINNEY RD	JAN	JVI	ADP2017010700000728	2,924.78
	WW - ADOT SR86 VALENCIA RD TO KINNEY RD Total				2,924.78
CWW.3SR863 Total					2,924.78
CWW.3TFM13	WW - TANGERINE RD FORCE MAIN RELOCATION	JAN	JVI	ADP2017010700000729	2,277.15
	WW - TANGERINE RD FORCE MAIN RELOCATION Total				2,277.15
CWW.3TFM13 Total					2,277.15
CWW.3TRI16	WW - TRES RIOS WRF EXISTING INFRASTRUCTURE UPGRADES PROJECT	JAN	AD	AD170000000000039043	163,720.00
			JVI	ADP2017010700000730	1,281.74
	WW - TRES RIOS WRF EXISTING INFRASTRUCTURE UPGRADES PROJECT Total				165,001.74
CWW.3TRI16 Total					165,001.74
Grand Total					12,751,482.49

EXHIBIT D
TAX COMPLIANCE PROCEDURES

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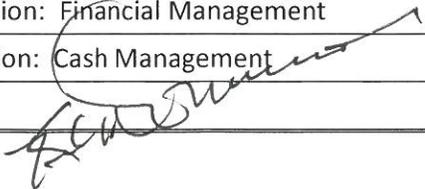


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Statement: The policies and procedures provided herein shall be followed in order to ensure compliance with the requirements of the Internal Revenue Code (the “Code”) that are applicable to the issuance of Tax-Exempt Bonds or other Obligations (hereinafter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

I. General Matters

A. Responsible Officer

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

B. Identify Additional Responsible Employees

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

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

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C. Periodic Review

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

D. Change in Bond Terms

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

II. Market Trading Activity

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

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

III. IRS Information Return Filing – 8038 G

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

IV. Use of Proceeds

A. Consistent Accounting Procedures

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

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B. Reimbursement Allocations at Closing

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

C. Cost of Issuance

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

D. Capital Expenditures

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

E. Requisitions

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

F. Final Allocation

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

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G. Record Retention

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

V. **Monitoring Private Business Use**

A. Review of Contracts with Private Persons

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

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

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

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

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C. Establish Procedures to Ensure Proper Use

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

D. Analyze Use

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

E. Record Retention

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

VI. Arbitrage and Rebate

A. Yield

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

B. Temporary Period

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

C. Post-Temporary Period Investments

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

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D. Monitoring Temporary Period Compliance

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

E. Establishing Fair Market Value of Investments

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

F. Debt Service, Credit Enhancement, and Sinking Funds

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

G. Document Retention

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

H. Donations

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

I. Bona Fide Debt Service Fund

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

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

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

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

J. Debt Service Reserve Fund

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

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

K. Rebate Requirement

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

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

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

L. Record Retention

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

VII. Record Retention

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

VIII. Compliance Checklist and Remedial Actions

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

B. Annual Review and Approval

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

C. Remedial Action

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

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1. Deliberate Action

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

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

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

2. Timely Reallocation

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

3. Remedial Action

a. Effect

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

b. Ability to Use

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

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c. Conditions

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

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

D. Types of Remedial Action

1. Redemption of Non-Qualified Bonds

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

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

2. Alternative Use of Disposition Proceeds

The Issue satisfies the requirements of this remedial action if:

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

3. Alternative Use of Project

The Issuer satisfies the requirements of this remedial action if:

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

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

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

E. Examples of Deliberate Action

1. Lease to a Private Person

A Deliberate Action generally occurs if the Issuer

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

2. Service Contract

A Deliberate Action generally occurs if:

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

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

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

3. Sale of Project

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

**Post Issuance Compliance Checklist
For FYE _____**

Post Issuance Compliance for Debt Issues Checklist

I. Responsible Officer

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

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

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

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

II. New Issues:

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

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

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

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

III. Use of Proceeds:

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

IV. Private Business Use:

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

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

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

V. Arbitrage and Rebate:

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

\$45,000,000
SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2017,
Evidencing Interest of the Holders Thereof
in Installment Payments of the Purchase Price to be Paid By
PIMA COUNTY, ARIZONA,
Pursuant to a Series 2017 Purchase Agreement,
Dated as of February 1, 2017

AFFIDAVIT OF MAILING OF IRS FORM 8038-G

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

Salim Mangoli, being first duly sworn, upon his oath deposes and says:

1. That on March 9, 2017, at 6:20 p.m., he placed in the United States Post Office, postage prepaid, certified mail, return receipt requested, an envelope addressed to Internal Revenue Service Center, Ogden, Utah 84201.

2. A copy of Form 8038-G which was enclosed in said envelope and is attached hereto as Exhibit A.

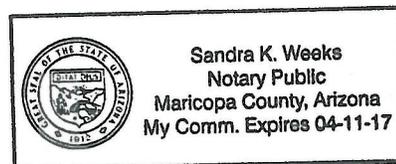
Salim Mangoli
.....

March SUBSCRIBED AND SWORN TO before me this 9th day of March, 2017.

Sandra K. Weeks
.....

Notary Public

My Commission Expires:
4-11-17
.....



USPS Tracking®

Tracking Number: 70150920000181251358

Updated Delivery Day: Monday, March 13, 2017

Product & Tracking Information

Postal Product: Certified Mail™

DATE & TIME	STATUS OF ITEM	LOCATION
March 13, 2017 , 1:42 pm	Delivered	OGDEN, UT 84401
Your item was delivered at 1:42 pm on March 13, 2017 in OGDEN, UT 84401.		
March 12, 2017 , 10:27 am	In Transit to Destination	
March 11, 2017 , 11:50 am	Departed USPS Facility	SALT LAKE CITY, UT 84199
March 11, 2017 , 10:28 am	Arrived at Unit	SALT LAKE CITY, UT 84199
March 11, 2017 , 10:27 am	Arrived at USPS Facility	SALT LAKE CITY, UT 84199
March 11, 2017 , 6:37 am	In Transit to Destination	
March 10, 2017 , 9:36 am	Departed USPS Facility	PHOENIX, AZ 85026
March 9, 2017 , 10:23 pm	Arrived at USPS Facility	PHOENIX, AZ 85026

7015 0920 0001 8125 1358

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PHOENIX, AZ 85026
 MAR 9 - 9 2017

M. C. #10/049720.01D60D

Prime Co.

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Postmark Here

Sent To

Street & Apt. No. or PO Box No.

City, State, ZIP+4

Internal Revenue Service Center
 Ogden, Utah 84201

PS Form 3800, July 2014 See Reverse for Instructions

Track Another Package

Tracking (or receipt) number

Track It

Manage Incoming Packages

Track all your packages from a dashboard. No tracking numbers necessary.



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- National Postal Museum
- Resources for Developers

LEGAL INFORMATION

- Privacy Policy
- Terms of Use
- FOIA
- No FEAR Act EEO Data

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>
1 Issuer's name Pima County, Arizona		2 Issuer's employer identification number (EIN) 86 6000543
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) 130 West Congress, 6th Floor	Room/suite	4 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Tucson, Arizona 85701		7 Date of issue 02/09/2017
8 Name of issue Sewer System Revenue Obligations, Series 2017		9 CUSIP number N/A
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Mr. Keith Dommer, Finance and Risk Management Director		10b Telephone number of officer or other employee shown on 19a (520) 724-8496

Part II Type of Issue (enter the issue price) See instructions and attach schedule.		
11 Education		
12 Health and hospital		
13 Transportation		
14 Public safety		
15 Environment (including sewage bonds)		
16 Housing		
17 Utilities	\$45,000,000	00
18 Other. Describe ►		
19 If obligations are TANs or RANs, check only box 19a		<input type="checkbox"/>
If obligations are BANs, check only box 19b		<input type="checkbox"/>
20 If obligations are in the form of a lease or installment sale, check box		<input type="checkbox"/>

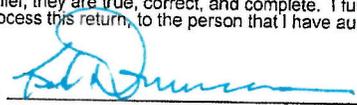
Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	07/01/2031	\$ 45,000,000.00	\$ 45,000,000.00	8.3369 years	2.7702 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)				
22 Proceeds used for accrued interest		\$ 0		
23 Issue price of entire issue (enter amount from line 21, column (b))		45,000,000	00	
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	322,430	00	
25 Proceeds used for credit enhancement	25	0	00	
26 Proceeds allocated to reasonably required reserve or replacement fund	26	0	00	
27 Proceeds used to currently refund prior issues	27	0	00	
28 Proceeds used to advance refund prior issues	28	0	00	
29 Total (add lines 24 through 28)		322,430	00	
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)		\$44,677,570	00	

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

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5).	35	0	00
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	0	00
	b Enter the final maturity date of the GIC ▶ _____			
	c Enter the name of the GIC provider ▶ _____			
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	0	00
38a	If the issuer is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:			
	b Enter the date of the master pool obligation ▶ _____			
	c Enter the EIN of the issuer of the master pool obligation ▶ _____			
	d Enter the name of the issuer of the master pool obligation ▶ _____			
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input type="checkbox"/>			
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>			
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
	b Name of hedge provider ▶ _____			
	c Type of hedge ▶ _____			
	d Term of hedge ▶ _____			
42	If the Issuer has superintegrated the hedge, check box <input type="checkbox"/>			
43	If the Issuer has established written procedures to ensure that all nonqualified bonds of the issue are remediated according to the requirements under the Code and Regulations (see instructions), check box <input checked="" type="checkbox"/>			
44	If the Issuer has established written procedures to monitor the requirements of section 148, check box <input checked="" type="checkbox"/>			
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input checked="" type="checkbox"/> and enter the amount of reimbursement \$12,751,484.00			
	b Enter the date the official intent was adopted ▶ <u>08/22/2016; 10/24/2016; 11/18/2016; 01/04/2017</u>			

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
		02/09/2017	Keith Dommer, Finance and Risk Management Director	
	Signature of issuer's authorized representative	Date	Type or print name and title	
Paid Preparer's Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Linda L. D'Onofrio		2/21/2017	PTIN P01298057
	Firm's name	Firm's EIN		
	Greenberg Traurig, LLP	13-3613083		
Firm's address	Firm's EIN		Phone no.	
MetLife Building, 200 Park Avenue, New York New York 10166	13-3613083		(212) 801-6400	

\$45,000,000
SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2017,
Evidencing Interest of the Holders Thereof
in Installment Payments of the Purchase Price to be Paid By
PIMA COUNTY, ARIZONA,
Pursuant to a Series 2017 Purchase Agreement,
Dated as of February 1, 2017

AFFIDAVIT OF MAILING OF REPORT OF BOND AND SECURITY ISSUANCE

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

Salim Mangoli, being first duly sworn, upon his oath deposes and says:

1. That on March 9, 2017, at 6:20 p.m., he placed in the United States Post Office, postage prepaid, certified mail, return receipt requested, an envelope addressed to Arizona State Treasurer's Office, Office of Project and Research, 1700 West Washington Street, Phoenix, Arizona 85007.

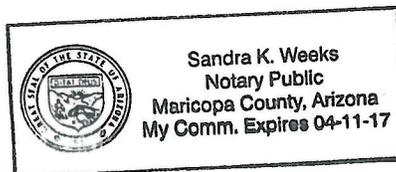
2. A copy of Report Relating to Issuance of Bonds for Arizona State Treasurer's Office under Section 35-501, Arizona Revised Statutes, As Amended, which was enclosed in said envelope is attached hereto as Exhibit A.

Salim Mangoli
.....
9th

March SUBSCRIBED AND SWORN TO before me this day of, 2017.

Sandra K Weeks
.....
Notary Public

My Commission Expires:
4-11-17



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M. Caputo 049720 010600

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To
 Arizona State Treasurer's Office
 Office of Project and Research
 1700 West Washington Street
 Phoenix, Arizona 85007

PS Form 3800, July 2014 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) Thomas B. Stickney</p> <p>C. Date of Delivery</p>		
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> Arizona State Treasurer's Office Office of Project and Research 1700 West Washington Street Phoenix, Arizona 85007 </div>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>		
<p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">7015 0920 0001 8125 1341</p>	<p>3. Service Type</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) </td> <td style="width: 50%; border: none;"> <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery </td> </tr> </table>	<input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery		
<p>PS Form 3811, April 2015 PSN 7530-02-000-9053 Domestic Return Receipt</p>			

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

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

1. Jurisdiction: Pima County, Arizona	
2. Issue name / title: Sewer System Revenue Obligations, Series 2017	
3. Dated Date: February 9, 2017 Closing Date: February 9, 2017	4. Par amount: \$ <i>If multipurpose and is subject to more than one debt limit, please designate appropriate portion</i>
5. Overall interest rate (TIC OR NIC): 2.8396% (TIC) 2.8299% (NIC)	6. Type of Bond or Security: Sewer system designated revenues
7. Repayment sources: Installment purchase payments to be made by Pima County pursuant to the Series 2017 Purchase Agreement, dated as of February 1, 2017, from sewer system designated revenues	
8. Total amount outstanding: \$ 504,600,000	9. Total amount outstanding of senior or subordinate bonds: \$ 46,689,347 (senior)
10. Original issue price: Attach Schedule 1 a. Par Amount (Principal Amount) \$ 45,000,000.00	11. Total limitations (Constitutional or Statutory) on the type of bonds/securities issued: _____ <i>If multipurpose and is subject to more than one limitation provide information for each limitation</i> For General Obligation Bonds: a. Secondary net assessed value: \$ N/A b. Debt limit percentage: N/A c. Total debt limit: \$ N/A
b. Original Issue Discount (-) \$ 0.00	
c. Premium Amount (+) \$ 0.00	
d. Original Issue Price (=) \$ 45,000,000.00	
e. Placement Agent Compensation (Discount) (-) \$ 225,000.00	
f. Net Proceeds (=) \$ 44,775,000.00	
14. Remaining authorized amount: \$ N/A	12. Available debt limit: \$ N/A
	13. Total amount authorized: \$ N/A
	15. If voter authorized, Election dates: N/A

16. Attach a detailed listing of Issue Cost.

17. Attach the Debt Service Schedule.

18. Attach Form 8038.

19. Attach Final Official Statement.


Signature

February 9, 2017
Date

Title, address and phone number

Trustee name, address and phone number

Political Subdivision Contact name, address, phone number

Keith Dommer
Pima County Finance Department
130 West Congress, 6th Floor
Tucson, Arizona 85701
(520) 724-8496

The Bank of New York Mellon Trust Company, N.A.
919 Congress Avenue
5th Floor
Austin, Texas 78701
(512) 236-6518

Pima County Finance Department
6th Floor
130 West Congress Street
Tucson, Arizona 85701
(520) 724-8496

Submit this form with attachments within 60 days of issuance to:

Arizona State Treasurer's Office
Office of Project and Research
1700 West Washington St.
Phoenix, AZ 85007

**Arizona State Treasurer's Office
Report of Bond and Security Issuance**

Schedule 1

For each maturity date, list either the Original Issue Discount or the Premium Amount. The total of these figures should equal the amounts listed on 10b and 10c on the form. In all cases, 10a - 10b + 10c - 10e = 10f.

Name of Issue: Pima County, Arizona Sewer System Revenue Obligations, Series 2017

Par Amount: \$45,000,000

Date Closed: February 9, 2017

Maturity Date (July 1)	Par Amount (Principal Amount) 10a	Coupon Rate	Yield	Original Issue Price	Premium or Discount 10b or 10c
2018	\$ 2,675,000*	2.77%	2.77%	\$ 2,675,000.00	\$ 0.00
2019	2,750,000*	2.77	2.77	2,750,000.00	0.00
2020	2,825,000*	2.77	2.77	2,825,000.00	0.00
2021	2,905,000*	2.77	2.77	2,905,000.00	0.00
2022	2,985,000*	2.77	2.77	2,985,000.00	0.00
2023	3,065,000*	2.77	2.77	3,065,000.00	0.00
2024	3,150,000*	2.77	2.77	3,150,000.00	0.00
2025	3,240,000*	2.77	2.77	3,240,000.00	0.00
2026	3,330,000*	2.77	2.77	3,330,000.00	0.00
2027	3,420,000*	2.77	2.77	3,420,000.00	0.00
2028	3,515,000*	2.77	2.77	3,515,000.00	0.00
2029	3,615,000*	2.77	2.77	3,615,000.00	0.00
2030	3,710,000*	2.77	2.77	3,710,000.00	0.00
2031	3,815,000	2.77	2.77	3,815,000.00	0.00
TOTALS	\$45,000,000	N/A	N/A	\$45,000,000.00	\$ 0.00
10e. Underwriter's Discount and/or Placement Agent Fee, if any				225,000.00	
10f. Net Proceeds (as shown on issuance form)				\$44,775,000.00	

* Mandatory redemption of July 1, 2031 Term Obligation

**Arizona State Treasurer's Office
Report of Bond and Security Issuance**

Schedule 2

Listing of Issuance Costs

Name of Issue: Pima County, Arizona Sewer System Revenue Obligations,
Series 2017

Date Closed: February 9, 2017

(A) Underwriter's compensation -	\$	
(B) Bond Counsel fees -	\$	68,000.00
(C) Financial advisor fees -	\$	
(D) Verification agent fees -	\$	
(E) Placement agent fees -	\$	225,000.00
(F) Investment securities brokerage fees -	\$	
(G) Registrar fees -	\$	
(H) Trustee fees -	\$	1,930.00
(I) Credit enhancement fees -	\$	
(J) Rating agency fees -	\$	
(K) OS printing/preparation costs -	\$	
(L) Registration fees -	\$	
(M) Transfer and recording fees -	\$	
(N) Other – Purchaser's Counsel -	\$	15,000.00
Placement Agent's Counsel -	\$	7,500.00
Miscellaneous -	\$	5,000.00

**Arizona State Treasurer's Office
Report of Bond and Security Issuance**

Form 8038-G

Name of Issue: Pima County, Arizona Sewer System Revenue Obligations,
Series 2017

Date Closed: February 9, 2017

Attached

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate Instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority If Amended Return, check here

1 Issuer's name Pima County, Arizona	2 Issuer's employer identification number (EIN) 86 6000543
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)	3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) 130 West Congress, 6th Floor	4 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Tucson, Arizona 85701	7 Date of issue 02/09/2017
8 Name of issue Sewer System Revenue Obligations, Series 2017	9 CUSIP number N/A
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Mr. Keith Dommer, Finance and Risk Management Director	10b Telephone number of officer or other employee shown on 19a (520) 724-8496

Part II Type of Issue (enter the issue price) See instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17	\$45,000,000	00
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>			
If obligations are BANs, check only box 19b <input type="checkbox"/>			
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>			

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	07/01/2031	\$ 45,000,000.00	\$ 45,000,000.00	8.3369 years	2.7702 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	\$ 0	
23 Issue price of entire issue (enter amount from line 21, column (b))	23	45,000,000	00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	322,430	00
25 Proceeds used for credit enhancement	25	0	00
26 Proceeds allocated to reasonably required reserve or replacement fund	26	0	00
27 Proceeds used to currently refund prior issues	27	0	00
28 Proceeds used to advance refund prior issues	28	0	00
29 Total (add lines 24 through 28)	29	322,430	00
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	\$44,677,570	00

Part V Description of Refunded Bonds Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded

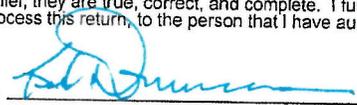
32 Enter the remaining weighted average maturity of the bonds to be advance refunded

33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)

34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5).	35	0	00
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	0	00
b Enter the final maturity date of the GIC ▶ _____ c Enter the name of the GIC provider ▶ _____				
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	0	00
38a	If the issuer is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:			
b Enter the date of the master pool obligation ▶ _____ c Enter the EIN of the issuer of the master pool obligation ▶ _____ d Enter the name of the issuer of the master pool obligation ▶ _____				
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box			<input type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box			<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
b Name of hedge provider ▶ _____ c Type of hedge ▶ _____ d Term of hedge ▶ _____				
42	If the Issuer has superintegrated the hedge, check box			<input type="checkbox"/>
43	If the Issuer has established written procedures to ensure that all nonqualified bonds of the issue are remediated according to the requirements under the Code and Regulations (see instructions), check box			<input checked="" type="checkbox"/>
44	If the Issuer has established written procedures to monitor the requirements of section 148, check box			<input checked="" type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input checked="" type="checkbox"/> and enter the amount of reimbursement			
				\$12,751,484.00
b	Enter the date the official intent was adopted			08/22/2016; 10/24/2016; 11/18/2016; 01/04/2017

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
		02/09/2017	Keith Dommer, Finance and Risk Management Director	
	Signature of issuer's authorized representative	Date	Type or print name and title	
Paid Preparer's Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Linda L. D'Onofrio		2/21/2017	PTIN P01298057
	Firm's name	Firm's EIN		
	Greenberg Traurig, LLP	13-3613083		
Firm's address	Firm's address		Phone no.	
MetLife Building, 200 Park Avenue, New York New York 10166	MetLife Building, 200 Park Avenue, New York New York 10166		(212) 801-6400	

**Arizona State Treasurer's Office
Report of Bond and Security Issuance**

Final Official Statement

Name of Issue: Pima County, Arizona Sewer System Revenue Obligations,
Series 2017

Date Closed: February 9, 2017

None

\$45,000,000
SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2017,
Evidencing Interest of the Holders Thereof
in Installment Payments of the Purchase Price to be Paid By
PIMA COUNTY, ARIZONA,
Pursuant to a Series 2017 Purchase Agreement,
Dated as of February 1, 2017

Closing: February 9, 2017

CLOSING DOCUMENT LIST

TERMS USED HEREIN

County	-	Pima County, Arizona
Board	-	Board of Supervisors of the County
Placement Agent	-	RBC Capital Markets, LLC
Purchaser	-	Compass Mortgage Corporation
Special Counsel	-	Greenberg Traurig, LLP
Trustee	-	The Bank of New York Mellon Trust Company, N.A.

Basic Documents

1. (A) Series 2017 Purchase Agreement, by and between the County, as purchaser, and the Trustee, in its separate capacity as "Seller," dated as of February 1, 2017.
- (B) Bill of Sale.
2. Series 2017 Obligation Indenture, by and between the County and the Trustee, dated as of February 1, 2017.
3. Specimen Series 2017 Obligation.

County Documents

4. Certificate on Behalf of the County with the following exhibit:

Notice and Agenda for December 13, 2016, Meeting.

5. (A) Certified copy of Resolution Nos. 1991-138 and 1991-182, passed, adopted and approved by the Board on June 18, 1991 and August 6, 1991, respectively.
- (B) Certified copy of Resolution No. 2016-83 passed, adopted and approved by the Board of the County on December 13, 2016.
6. Certificate of the County Required by the Placement Agent Agreement (defined below).
7. Request to Authenticate and Deliver.

Documents Relating to Placement

8. Placement Agent Agreement, by and between the County and the Placement Agent, dated January 23, 2017 (the “*Placement Agent Agreement*”).
9. Certificate of the Purchaser.

Opinions

10. Opinion of Special Counsel with Reliance Letter.
11. Opinion of Counsel to the County.

Other Certificates and Reports

12. Execution and Delivery and Signature Identification Certificate and Receipt of Trustee.
13. Certificate Relating to Federal Tax Matters
14. IRS Form 8038-G and Evidence of Mailing.
15. Report to Arizona State Treasurer’s Office and Evidence of Mailing.

DISTRIBUTION OF TRANSCRIPTS

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

Pima County, Arizona	1 paper/5 CDs
RBC Capital Markets, LLC	1 CD
Greenberg Traurig, LLP	1 CD
Squire Patton Boggs (US) LLP	1 CD
The Bank of New York Mellon Trust Company, N.A.	1 CD
Compass Mortgage Corporation	1 CD
Kutak Rock LLP	1 CD