

\$38,205,000  
SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2018,  
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 2018 Purchase Agreement,  
Dated as of April 1, 2018

Closing: April 12, 2018

CLOSING DOCUMENT LIST

TERMS USED HEREIN

County	-	Pima County, Arizona
Board	-	Board of Supervisors of the County
Special Counsel	-	Greenberg Traurig, LLP
Underwriter	-	RBC Capital Markets, LLC
Trustee	-	The Bank of New York Mellon Trust Company, N.A.
Counsel to the Underwriter	-	Squire Patton Boggs (US) LLP

**Basic Documents**

1. (A) Series 2018 Purchase Agreement, by and between the County, as purchaser, and the Trustee, in its separate capacity as “Seller,” dated as of April 1, 2018.
- (B) Bill of Sale.
2. Series 2018 Obligation Indenture, by and between the County and the Trustee, dated as of April 1, 2018.
3. Specimen Series 2018 Obligation/Letter of Representations to The Depository Trust Company.

**County Documents**

4. Certificate on Behalf of the County with the following exhibit:  
Notice and Agenda for December 19, 2017, 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. 2017-99 passed, adopted and approved by the Board of the County on December 19, 2017.
6. Certificate of the County Required by the Obligation Purchase Agreement (defined below).
7. Request to Authenticate and Deliver.

#### **Documents Relating to Underwriting**

8. Preliminary Official Statement, dated March 14, 2018.
9. Purchase Contract, by and between the County and the Underwriter, dated March 27, 2018 (the "*Obligation Purchase Agreement*").
10. Official Statement, dated March 27, 2018.
11. Continuing Disclosure Undertaking of the County, dated April 12, 2018.
12. Rating Letters from Standard & Poor's Ratings Services and Fitch Ratings, Inc. (S&P - "AA"; Fitch - "AA-").
13. Receipt of Underwriter.

#### **Opinions**

14. Opinion of Special Counsel.
15. Supplemental Opinion of Special Counsel required by the Obligation Purchase Agreement.
16. Opinion of Counsel to the Underwriter.
17. Opinion of Counsel to the County.

## **Other Certificates and Reports**

18. Execution and Delivery and Signature Identification Certificate and Receipt of the Trustee.
19. Certificate Relating To Federal Tax Matters.
20. IRS Form 8038-G and Evidence of Mailing.
21. Report to Arizona Department of Administration and Evidence of Emailing.

## 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

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SERIES 2018 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 April 1, 2018

The rights of The Bank of New York Mellon Trust Company, N.A., in its separate capacity as seller under this Series 2018 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 2018 Obligation Indenture, dated as of April 1, 2018.

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(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 2018 PURCHASE AGREEMENT

THIS SERIES 2018 PURCHASE AGREEMENT, dated as of April 1, 2018 (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. 2017-99 adopted by the Board of Supervisors of the County on December 19, 2017, it was found and determined to be advantageous and in the public interest that the Series 2018 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 2018 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 2018 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 2018 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 2018 Obligation Indenture, dated as of April 1, 2018, 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 2018 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 2018 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 2018 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, the \$211,595,000 original aggregate principal amount of Sewer System Revenue Refunding Obligations, Series 2016 and the \$45,000,000 original aggregate principal amount of Sewer System Revenue Obligations, Series 2017.

*“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 2018 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 2008, the Pima County, Arizona, Sewer Improvement Bonds, Series 2009, 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 2018 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 2018 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 2018 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 2018 Continuing Disclosure Undertaking*” means the Continuing Disclosure Undertaking for the Purpose of Providing Continuing Disclosure Information Under Section (b)(5) of Rule 15c2-12, dated April 12, 2018, executed by the County in connection with the execution and delivery of the Series 2018 Obligations.

“*Series 2018 Obligations*” means the \$38,205,000 original aggregate principal amount of Sewer System Revenue Obligations, Series 2018, 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 2018 Purchase Agreement, dated as of April 1, 2018, evidencing a proportionate interest in certain rights pursuant to this Purchase Agreement, including the right to receive payment of the Purchase Price.

“*Series 2018 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 2018 Property*” means the value added to the System by the Series 2018 Projects which are being financed with proceeds of the sale of the Series 2018 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 April 12, 2018, delivered by the County with respect to the Series 2018 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 2018 OBLIGATIONS;**  
**APPLICATION OF PROCEEDS; IMPROVEMENTS FUND;**  
**FEDERAL LAW COVENANTS**

*Section 2.1 Agreement to Cause Execution and Delivery of Series 2018 Obligations; Application of Proceeds.* In order to provide funds for payment of the costs of the acquisition, construction and improvement of the Series 2018 Projects and of execution and delivery of the Series 2018 Obligations, the Series 2018 Obligations shall be executed and delivered pursuant to the Indenture. (Reimbursement of capital expenditures relating to the Series 2018 Projects advanced prior to the execution and delivery of the Series 2018 Obligations shall be reimbursed, and the costs of the Series 2018 Projects, including but not limited to the costs of execution and delivery of the Series 2018 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 2018 Projects, and all real and personal property deemed necessary in connection with the Series 2018 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 2018 Projects advanced prior to the execution and delivery of the Series 2018 Obligations and

(iv) payment of the portion of the Purchase Price representing interest on the Series 2018 Obligations during the acquisition, construction and improvement of the Series 2018 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 2018 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 2018 Projects by delivery of a certificate signed by the County Representative stating that (i) acquisition, construction and improvement of the Series 2018 Property has been completed and (ii) all obligations and costs in connection with the Series 2018 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 2018 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 2018 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 2018 Obligations or the Series 2018 Property that would cause such Series 2018 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 2018 Obligations. Particularly, the County shall be the owner of the Series 2018 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 2018 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 2018 Projects. Also, the payment of principal and interest with respect to the Series 2018 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 2018 Obligations, or amounts treated as proceeds of the Series 2018 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 2018 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 2018 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 2018 Obligations. In consideration of the purchase and acceptance of

the Series 2018 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 2018 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 2018 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 2018 Obligations and shall end on July 1, 2018, and the last Bond Year shall end on the date of retirement of the last Series 2018 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 2018 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 2018 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 2018 Obligations;
- (ii) transferred proceeds of the Series 2018 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 2018 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 2018 Obligations, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the Series 2018 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 2018 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 2018 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 2018 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 2018 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 2018 Obligation, an amount equal to 100 percent of the Rebate Requirement (determined as of the date of retirement of the last Series 2018 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 2018 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 2018 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 2018 Obligations (e.g., a lead underwriter within 15 days of the issue date of the Series 2018 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 2018 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 2018 Obligations.

*Section 2.5 Continuing Disclosure Undertaking.* The County shall comply with and carry out all of the provisions of the Series 2018 Continuing Disclosure Undertaking. Notwithstanding any other provision of this Purchase Agreement, failure of the County to comply with the Series 2018 Continuing Disclosure Undertaking shall not be considered a Purchase Event of Default, an Indenture Event of Default or other event of default; however, the Trustee (at the request of the Holders or beneficial owners of at least 25 percent aggregate principal amount in Outstanding Series 2018 Obligations and receipt of indemnity to its satisfaction) shall take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the County to comply with its obligations under this Section.

### **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 2018 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 2018 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 2018 Property, without suit, trouble or hinderance from the Seller. The Series 2018 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 2018 Obligations.

*Section 3.3 County Series 2018 Obligations Fund; Amounts Payable After Execution and Delivery of Series 2018 Obligations.*

(a) Upon the issuance of the Series 2018 Obligations, the County shall establish and maintain a separate, internal fund known as the “*County Series 2018 Obligations Fund*,” which the County shall hold in trust for the Holders of the Series 2018 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 2018 Obligations Fund as follows:

(i) Commencing May 10, 2018, one-half (1/2) of the interest on the Series 2018 Obligations falling due on the July 1, 2018 Obligation Payment Date and, thereafter, one-sixth (1/6) of the interest on the Series 2018 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, 2025, 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 Obligations remaining Outstanding after the redemption of Series 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 Obligations to become subject to federal income taxation, (B) such sale will not materially diminish the security of the Holders of the Series 2018 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 2018 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 2018 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 2018 Property or affecting the amount available to the Seller from payments received under this Purchase Agreement for the payment of the Series 2018 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 2018 Obligations; (c) any official statement or disclosure documents, either preliminary or final, pertaining to such Series 2018 Obligations; (d) the sale and execution and delivery of the Series 2018 Obligations or the transactions contemplated in any of the aforementioned acts, agreements or documents; or (e) the acquisition, purchase, ownership, lease, possession, rental, use, operation, sale or disposition of the Series 2018 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 or willful misconduct 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 2018 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 2018 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 2018 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 2018 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 2018 Obligations with the Securities and Exchange Commission or the sale of the Series 2018 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



*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 2018 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 2018 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 County represents that, to the best of its 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 have been sent by such Authorized Officer listed on the incumbency certificate provided to the Seller. 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 2018 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 2018 Property and shall in no event be reflected in the chain of title for the Series 2018 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 2018 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: **LETHA GLOVER**  
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.....  
Paul Gales

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.

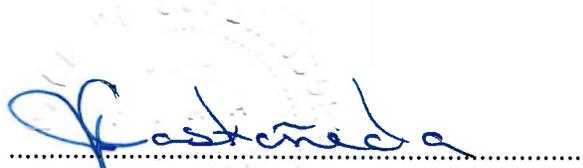
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Seller

By.....  
Print Name:.....  
Title:.....

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 .....  
Paul Gales

ACKNOWLEDGEMENT AND ACCEPTANCE

The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") under the Series 2018 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:.....LETHA GLOVER.....  
Title:.....Vice President.....

## EXHIBIT A

### DESCRIPTION OF SERIES 2018 PROJECTS

The Series 2018 Projects include construction, expansion and improvement of sewer treatment facilities and conveyance systems for the System, including the following:

Project	Project Name
CWW.3AI195	Arizona Department of Transportation - W Ajo Way & I-19 Sewer Modifications
CWW.3ASC15	Old Nogales Intersection Augmentation - New Aerospace Corridor Sewer
CWW.3ASP14	State Prison Pump Station Rehabilitation
CWW.3AVB16	New Influent Emergency Overflow Basin - Avra Valley Wastewater Reclamation Facility
CWW.3AVS18	Avra Valley Wastewater Reclamation Facility & Automation Improvements FY 17/18
CWW.3B8419	Tres Rios Wastewater Reclamation Facility, Building 24
CWW.3BBUMP	Tres Rios Wastewater Reclamation Facility Nutrient Recovery Project
CWW.3CDTA0	Coronda de Tucson Wastewater Reclamation Facility - Air Distribution System Upgrade
CWW.3CRP01	System-Wide Conveyance Rehabilitation Program
CWW.3CRS05	Continental Ranch Pump Station Facility Modifications
CWW.3DTL2A	City of Tucson Department of Transportation Downtown Links Phase 2&3
CWW.3ELF19	Tres Rios Wastewater Reclamation Facility, Building 9, Expand Laboratory Floor Space
CWW.3EOC14	SCADA Emergency Operations Center
CWW.3FGS17	Pima County Fairgrounds Wastewater Reclamation Facility Connection to Existing Conveyance System
CWW.3GAS18	Tres Rios Wastewater Reclamation Facility Biogas Cleaning & Utilization Project
CWW.3GOS01	City of Tucson Department of Transportation Grant Rd Corridor Improvement Sewer Utility
CWW.3GRS18	Green Valley Wastewater Reclamation Facility - Grit Removal System Replacement & Up
CWW.3GVCC0	Green Valley Wastewater Reclamation Facility - Disk Filter Cover & Crane
CWW.3GVE14	Green Valley Wastewater Reclamation Facility - Future Development Plan FY13/14
CWW.3HBI06	Houghton Rd Broadway Blvd Intersection Improve COTDOT
CWW.3HOC18	Wastewater Reclamation Facility Headworks Odor Control Improvements
CWW.3ICB15	Two Additional Centrifuge Sludge Screens - Tres Rios Wastewater Reclamation Facility
CWW.3II105	Arizona Department of Transportation - Ina Rd & I-10 Sewer Modifications
CWW.3MMP18	Sewer Utility Minor Modification Projects 2017/18
CWW.3MR818	Sewer Manhole Rehabilitation # 8
CWW.3MRP17	Minor Rehabilitation Projects FY 16/17
CWW.3MRP18	Minor Rehabilitation Projects FY 17/18
CWW.3NRI14	North Rillito Interceptor Rehabilitation
CWW.3NRI20	North Rillito Interceptor Rehabilitation-Campbell to 1s
CWW.3NWO19	Northwest Outfall Siphon at the Santa Cruz River Rehab
CWW.3OPR19	Prince Rd Sewer Replacement - Oracle Rd West
CWW.3PPS13	Principal Pump Station
CWW.3RI105	Arizona Department of Transportation W Ruthrauff Rd & Interstate 10 Sewer Modifications
CWW.3RRP15	Roger Rd Treatment Plant Entry Post-Closure Implement
CWW.3SAC15	Speedway Blvd Area Capacity Augmentation Alignment Study
CWW.3SCP06	Sabino Creek Pump Station
CWW.3SEI13	South East Interceptor Augmentation
CWW.3SHT16	Tres Rios Sludge Holding Tank
CWW.3SIR14	Ina Rd Existing Plant SCADA Upgrades
CWW.3SNI13	SCADA WAN Infrastructure Upgrade
CWW.3SPS15	Silverado Pump Station Rehabilitation

CWW.3SR863	Arizona Department of Transportation SR86 Valencia Rd to Kinney Rd
CWW.3SWT70	System Wide Treatment Rehabilitation & Enhancement
CWW.3TFM13	Tangerine Rd Force Main Relocation
CWW.3TPBBS	Twin Peaks - Blue Bonnet Road Gravity Sewer
CWW.3TRP18	System-wide Rehabilitation Program
CWW.3TTT01	City of Tucson Department of Transportation 22nd St I-10 to Tucson Blvd Sewer Utility
CWW.3VFS23	Tres Rios Wastewater Reclamation Facility - Headworks Fine Screen Replacement

EXHIBIT B

FORM OF 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 2018 Projects comprising the Series 2018 Property as defined in Exhibit A to the Series 2018 Purchase Agreement, dated as of April 1, 2018, 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 12th day of April, 2018.

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

By.....  
Print Name:.....  
Title:.....

**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 2018 Projects comprising the Series 2018 Property as defined in Exhibit A to the Series 2018 Purchase Agreement, dated as of April 1, 2018, 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 12th day of April, 2018.

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

By.....  
Print Name:..... **LETHA GLOVER**.....  
Title:..... **Vice President**.....

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SERIES 2018 OBLIGATION INDENTURE

by and between

PIMA COUNTY, ARIZONA,

and

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

Dated as of April 1, 2018

relating to

\$38,205,000  
Sewer System Revenue Obligations, Series 2018,  
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 2018 Purchase Agreement,  
Dated as of April 1, 2018

(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 2018 OBLIGATION INDENTURE

THIS SERIES 2018 OBLIGATION INDENTURE, made and entered into as of the 1st day of April, 2018 (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 2018 Purchase Agreement, dated as of the date of this Indenture (the "*Purchase Agreement*"), concerning the County's acquisition of the Series 2018 Property (as such term is defined in the Purchase Agreement); and

WHEREAS, for the purpose of obtaining the moneys to acquire the Series 2018 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 2018, 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 2018 Purchase Agreement, dated as of April 1, 2018 (the "*Series 2018 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 2018 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 2018 Obligations and the performance and observance of the covenants and conditions contained in this Indenture and in the Series 2018 Obligations and the Purchase Agreement, the Trustee shall receive as security for the Holders of the Series 2018 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 2018 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 equal and proportionate benefit and security of the Holders from time to time of the Series 2018 Obligations executed and delivered and Outstanding (as such term is defined below) under this Indenture, without preference, priority or distinction as to lien or otherwise of any of the Series 2018 Obligations over any other or others of the Series 2018 Obligations to the end that each Holder of the Series 2018 Obligations has the same rights, privileges and lien under and by virtue of 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 2018 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 2018 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.

“*DTC*” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“*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 any Series 2018 Obligation.

“*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, 2018, so long as any Series 2018 Obligations are 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 2018 Obligations means, as of any date of determination, all Series 2018 Obligations previously executed and delivered except:

(i) Series 2018 Obligations previously cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Series 2018 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;

(iii) Series 2018 Obligations in lieu of which other Series 2018 Obligations have been executed and delivered pursuant to the provisions of this Indenture relating to

Series 2018 Obligations destroyed, stolen or lost, unless evidence satisfactory to the Trustee has been received that any such Series 2018 Obligation is held by a bona fide purchaser; and

(iv) For purposes of any consent or other action to be taken under this Indenture or under the Purchase Agreement by the Holders of a specified percentage in principal amount of Series 2018 Obligations, Series 2018 Obligations held by or for the account of the County or any Person controlling, controlled by, or under common control with the County; except that in determining whether the Trustee shall be protected in relying upon any such approval or consent of an Holder, only Series 2018 Obligations which the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any senior associate, any associate or any other officer of the Trustee within the corporate trust office described in Section 11.6(a)(i) or any officer to which a corporate trust matter is referred (because of such person's knowledge of and familiarity with the subject) and having direct responsibility for the administration of this Indenture, actually knows to be so held shall be disregarded unless all Series 2018 Obligations are so held, in which case such Series 2018 Obligations shall be considered Outstanding for the purpose of such determination.

*"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 2018 Obligations. The Trustee is designated as the initial Paying Agent for the Series 2018 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 2018 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 2018 Obligations that is due on such date.

“*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 2018 Obligations 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 at least “AA-” or “Aa3” by S&P or Moody’s, respectively.

- (ii) An unconditional irrevocable letter of credit issued to the Trustee, as agent of the Holders of the Series 2018 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 2018 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.

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 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.

If the expiration date of the letter of credit shall not be extended, the County may deposit in the Debt Service Reserve Account an amount sufficient to cause 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 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 either (i) or (ii) above.

The deposit of any Qualified Reserve Fund Instrument pursuant to this paragraph (ii) shall be subject to receipt of an opinion of counsel of an attorney or firm of attorneys of nationally recognized standing in the related field 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 addition, the use of an irrevocable letter of credit shall be subject to receipt of an opinion of counsel of such attorney or firm of attorneys 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 2018 Obligations (or any other account party under the letter of credit).

(iii) 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 2018 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 "Aa3" 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 "Aa3" 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 five 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 the ensuing year in equal monthly installments 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 the Qualified Reserve Fund 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 the Qualified Reserve Fund Instrument.

(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 2018 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 \$2,957,375.00.

“*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.

“*Securities Depository*” has the meaning provided in Section 2.9.

“*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 All Series 2018 Obligations Equally and Ratably Secured; Series 2018 Obligations Not General Obligations of the County.* All of the Series 2018 Obligations executed and delivered under this Indenture and at any time Outstanding shall in all respects be equally and ratably secured by this Indenture, without preference, priority, or distinction on account of the date or dates or the actual time or times of the execution and delivery or maturity of the Series 2018 Obligations, so that all Series 2018 Obligations at any time Outstanding under this Indenture shall have the same right, lien and preference under this Indenture. The Series 2018

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 2018 OBLIGATIONS**

*Section 2.1 Authorization of Series 2018 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 \$38,205,000 aggregate original principal amount of Series 2018 Obligations to, or upon the direction of, RBC Capital Markets, LLC, as the underwriter of the Series 2018 Obligations. In no event shall the Series 2018 Obligations be deemed a debt or liability of the Trustee.

*Section 2.2 Form, Date and Payment Terms of Series 2018 Obligations.*

(a) The Series 2018 Obligations shall be dated the date of their initial execution and delivery, be executed and delivered in denominations of \$5,000 of principal each or any integral multiple thereof, 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 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 2018 Obligations to, but not including, July 1, 2018. The proportionate share of the portion of each installment of the Purchase Price designated as interest with respect to any Series 2018 Obligation shall be computed by multiplying the portion of each installment of the Purchase Price designated as principal with respect to such Series 2018 Obligation by the rate of interest applicable to such Series 2018 Obligation (on the basis of a 360-day year of twelve 30-day months).

The Series 2018 Obligations shall mature on July 1 in the years and amounts and bear interest at rates per annum (calculated on the basis of a 360-day year of twelve 30-day months) as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2026	\$4,000,000	5.00%	2030	\$4,865,000	5.00%
2027	4,200,000	5.00	2031	5,105,000	5.00
2028	4,410,000	5.00	2032	5,365,000	5.00
2029	4,630,000	5.00	2033	5,630,000	5.00

(b) The Series 2018 Obligations shall be executed and delivered only in fully registered form and shall be numbered or otherwise designated in a manner acceptable to the Trustee so as to distinguish each Series 2018 Obligation from every other Series 2018 Obligation.

(c) Interest on each Series 2018 Obligation shall be payable when due to the Holder in whose name such Series 2018 Obligation is registered at the close of business on the Record Date with respect to each Obligation Payment Date, irrespective of any transfer or exchange of such Series 2018 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 2018 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 Holders of the Series 2018 Obligations not less than 15 days preceding such special Record Date. Such notice shall be mailed to the Holders in whose name the Series 2018 Obligations are registered at the close of business on the fifth day preceding the date of mailing. If the Trustee registers the transfer of any Series 2018 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 2018 Obligation(s).

(d) Principal of and redemption premium, if any, and interest on each Series 2018 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. Principal of and redemption premium, if any, on each Series 2018 Obligation shall be payable at the designated corporate trust office of the Trustee upon surrender of the Series 2018 Obligation on or after the maturity date. Payment of interest on the Series 2018 Obligations shall be made by check or draft mailed to the registered address of the Person entitled thereto; except that, upon the written direction of any Holder of not less than \$1,000,000 in aggregate principal amount of Series 2018 Obligations (which direction shall remain effective for so long as such Holder owns not less than \$1,000,000 in Series 2018 Obligations or until such Holder countermands such written direction in writing), the payment of interest on the Series 2018 Obligations owned by such Holder may 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 such Holder.

(e) Any payment due on any Series 2018 Obligation that is not paid when due shall bear interest at a rate equal to the rate of interest borne on such Series 2018 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 2018 Obligations.* If (a) any mutilated Series 2018 Obligation is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Series 2018 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 2018 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 2018 Obligation or in lieu of such destroyed, lost or stolen Series 2018 Obligation, a new Series 2018 Obligation of like principal amount, date and tenor. If any such mutilated, destroyed, lost or stolen Series 2018 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 2018 Obligation when due instead of delivering a new Series 2018 Obligation.

*Section 2.4 Execution of Series 2018 Obligations.* All Series 2018 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 2018 Obligation ceases to be an authorized representative of the Trustee before the date of initial execution and delivery of the Series 2018 Obligations, or was not an authorized representative on the nominal date of the Series 2018 Obligations, such signature shall nevertheless be effective.

*Section 2.5 Registration, Transfer and Exchange of Series 2018 Obligations.*

(a) All Series 2018 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 2018 Obligations.

(b) So long as any Series 2018 Obligations are Outstanding, the Trustee shall maintain at its offices books for the registration and transfer of Series 2018 Obligations and shall provide for the registration and transfer of any Series 2018 Obligation under such reasonable regulations as the Trustee may prescribe. The Trustee shall act as registrar for purposes of exchanging and registering Series 2018 Obligations in accordance with the provisions of this Indenture.

(c) Each Series 2018 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 2018 Obligation, the Trustee shall authenticate and

deliver, in the name of the transferee, one or more new Series 2018 Obligations, of the same aggregate principal amount and maturity as the surrendered Series 2018 Obligation.

(d) Any Series 2018 Obligation, upon surrender thereof to the Trustee together with written instructions satisfactory to the Trustee, duly executed by the registered Holder or his attorney duly authorized in writing, may, at the option of the registered Holder thereof, be exchanged for Series 2018 Obligations of any other authorized denominations, with an equal aggregate principal amount and the same maturity.

(e) All Series 2018 Obligations surrendered in any exchange or transfer of Series 2018 Obligations shall forthwith be cancelled by the Trustee.

(f) In connection with any such exchange or transfer of Series 2018 Obligations the Holder requesting such exchange or transfer shall as a condition precedent to the exercise of the privilege of making such exchange or transfer remit to the Trustee an amount sufficient to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer.

*Section 2.6 Persons Deemed Owners.* The Person in whose name any Series 2018 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 2018 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 2018 Obligation to the extent of the amount so paid.

*Section 2.7 Non-Presentation of Series 2018 Obligations.* In the event any Series 2018 Obligation shall not be presented for payment when the principal thereof and premium, if any, becomes due, either at maturity or otherwise, if moneys sufficient to pay the principal of, premium, if any, and interest on, such Series 2018 Obligation shall have been deposited under this Indenture for such payment, all liability to the Holder thereof for the payment of such Series 2018 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 2018 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 2018 Obligation.

*Section 2.8 Destruction of Series 2018 Obligations.* Upon payment of or surrender to the Trustee for cancellation of any Series 2018 Obligation, the Trustee shall destroy such Series 2018 Obligation.

*Section 2.9 Book-Entry.* The County may from time to time enter into, and discontinue, an agreement with a “clearing agency” registered under Section 17A of the Securities Exchange Act of 1934, as amended (the “Securities Depository”), which is the owner of the Series 2018 Obligations, to establish procedures with respect to the Series 2018 Obligations not inconsistent with the provisions of this Indenture; except that, notwithstanding

any other provisions of this Indenture, any such agreement may contain provisions for notice to the Securities Depository different than those set forth in this Indenture provided that a legend to that effect appears on each Series 2018 Obligation so long as the Series 2018 Obligations are subject to such agreement. With respect to Series 2018 Obligations registered in the name of a Securities Depository (or its nominee), the Trustee shall not have any obligation to any of its members or participants or to any person on behalf of whom the Securities Depository holds an interest in the Series 2018 Obligations. The County has entered into an agreement with DTC and while such agreement is in effect the procedures established in that agreement will apply to the Series 2018 Obligations notwithstanding any other provisions of this Indenture to the contrary. As long as DTC is the Securities Depository with respect to the Series 2018 Obligations, the Trustee shall be a “DTC Direct Participant.”

### **ARTICLE 3 REDEMPTION OF SERIES 2018 OBLIGATIONS**

*Section 3.1 Right to Redeem.* The Series 2018 Obligations shall be subject to redemption prior to maturity, in any order of 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 2018 Obligations.* The Series 2018 Obligations maturing on or prior to July 1, 2028, are not subject to optional redemption prior to maturity. The Series 2018 Obligations maturing on and after July 1, 2029, are subject to redemption, in whole or in part on any date on or after July 1, 2028, in increments of \$5,000 of principal amount due on a specific maturity date, in any order of maturity, all as directed by the County, and by lot within a maturity (as provided in Section 3.3 below) by payment of the principal amount of each Series 2018 Obligation to be redeemed plus interest accrued to the date fixed for redemption, without premium.

*Section 3.3 Selection of Series 2018 Obligations to be Redeemed.* If less than all of the Series 2018 Obligations of the same maturity are to be redeemed upon any redemption of Series 2018 Obligations under this Indenture, the Trustee shall select the Series 2018 Obligations to be redeemed, from among those of the applicable maturity, by lot. In making such selection, the Trustee shall treat each Series 2018 Obligation as representing that number of Series 2018 Obligations as is obtained by dividing the original principal amount of each such Series 2018 Obligation by the lowest authorized denomination of Series 2018 Obligations.

*Section 3.4 Partial Redemption of Series 2018 Obligations.* Upon the selection and notice of redemption and the surrender of any Series 2018 Obligation for redemption in part only, the Trustee shall execute and deliver to or upon the written order of the Holder thereof, at the expense of the County, a new Series 2018 Obligation(s) of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Series 2018 Obligation surrendered.

*Section 3.5 Effect of Call for Redemption.* On the date designated for redemption by notice given as provided in this Indenture, the Series 2018 Obligations called for redemption shall become and be due and payable at the redemption price of such Series 2018 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 Series 2018 Obligations called for redemption shall cease to accrue, such Series 2018 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 2018 Obligations called for redemption shall be deemed paid and no longer Outstanding.

*Section 3.6 Notice of Redemption.*

(a) Whenever redemption of Series 2018 Obligations is to be made, the Trustee shall give notice of the redemption of such Series 2018 Obligations, which notice shall specify the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2018 Obligations are to be redeemed, the numbers or other distinguishing marks of such Series 2018 Obligations so to be redeemed, including CUSIP numbers, and, in the case of Series 2018 Obligations to be redeemed in part only, such notice shall also specify the respective portions of the principal amounts thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Series 2018 Obligation to be redeemed the redemption price thereof, as appropriate, of such Series 2018 Obligation or the specified portion thereof in the case of a Series 2018 Obligation to be redeemed in part only, together with interest accrued to the redemption date on such Series 2018 Obligations or portion thereof so to be redeemed and that, from and after such date, the Series 2018 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. Such redemption notices may state that no representation is made as to the correctness or accuracy of the CUSIP numbers printed therein or on the Series 2018 Obligations.

(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) all Holders of any Series 2018 Obligations or portions of Series 2018 Obligations that are to be redeemed at their last addresses appearing upon the registry books and (ii) to the Treasurer of the County. Such notice shall be mailed a second time to any Holder of Series 2018 Obligations that have been called for redemption if such Holder has not presented such Series 2018 Obligations for payment of the redemption price within 60 days after the redemption date. Failure so to mail any such notice, or a defect in such notice, as to any Series 2018 Obligation shall not affect the validity of the proceedings for the redemption of any other Series 2018 Obligation, and failure to mail a second notice shall not affect the validity of the proceedings for the redemption of any Series 2018 Obligation.

**ARTICLE 4  
FORM OF SERIES 2018 OBLIGATIONS**

The Series 2018 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 Holders, as their interests may appear.

*Section 5.2 Application of Series 2018 Obligation Proceeds.* The Trustee shall receive (i) \$45,185,553.05, being the proceeds of the sale of the Series 2018 Obligations (including original issue premium), net of underwriter's compensation, and (ii) \$2,957,375.00, 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 2018 Obligations in an amount equal to \$185,553.05 to the Delivery Costs Fund, and (iii) transfer the balance of the proceeds of sale of the Series 2018 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 2018 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 Instrument 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 2018 Obligations as it becomes due.

(ii) Amounts in the Principal Account shall be used to retire Series 2018 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 2018 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 all of the Series 2018 Obligations then Outstanding. 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.

(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 the Qualified Reserve Fund Instrument, including by transferring amounts in the “reimbursement fund” established to reimburse the provider of the Qualified Reserve Fund Instrument for any payments made by the provider 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 2018 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 2018 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 or willful misconduct.

*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 2018 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, 2018, 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 2018 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 2018 Obligations according to the terms thereof. The amounts due on the Series 2018 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 2018 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 2018 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 2018 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 Holders, 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 or exchange of, any Series 2018 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 2018 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 2018 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 2018 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 Holders of not less than 25 percent in principal amount of the Series 2018 Obligations then Outstanding; 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 Holders of not less than a majority in principal amount of the Series 2018 Obligations Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall protect and enforce its rights and the rights of the Holders under this Indenture and the Series 2018 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 Holders of not less than a majority in principal amount of the Series 2018 Obligations then Outstanding 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 Holders, 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 2018 Obligations); and

*Second:* To the payment of the unpaid Principal Installments or redemption price of any Series 2018 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 2018 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 2018 Obligation until such Series 2018 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 2018 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 2018 Obligations may be brought by the Trustee, without the possession of any of the Series 2018 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 2018 Obligations. Subject to the provisions of Section 7.4, any recovery or judgment shall be for the equal benefit of all the Holders of the Outstanding Series 2018 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 2018 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 Holders so affected.

*Section 7.7 Individual Holder Action Restricted.*

(a) No Holder of any Series 2018 Obligation shall 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 Holders of at least a majority in principal amount of Series 2018 Obligations Outstanding have made written request to the Trustee to proceed to exercise the powers granted in this Indenture; and

(ii) Such Holders have 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 Holders of a greater majority in principal amount of Series 2018 Obligations then Outstanding.

(b) No one or more Holders of Series 2018 Obligations shall 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 and for the equal benefit of the Holders of all Series 2018 Obligations Outstanding.

(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 2018 Obligation (i) to receive payment of the principal of or premium, if any, or interest on such Series 2018 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 2018 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 for the equal and ratable benefit of all Holders of Series 2018 Obligations.

*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 Holders, then the County, the Trustee and the Holders shall be restored to their former positions and rights under this Indenture, and all rights and powers of the Trustee and the Holders 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 2018 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 Holders 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 each Holder of a Series 2018 Obligation then Outstanding, 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 2018 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 Holders.

(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 Holders with respect to this Indenture or the terms, execution, delivery or transfer of the Series 2018 Obligations, or the distribution of applicable portions of the Purchase Price to the Holders 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, 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 or willful misconduct 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, 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 Holders of the Outstanding Series 2018 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 or willful misconduct.

(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 2018 Obligations and Take Other Actions.* The Trustee may in good faith buy, sell or hold and deal in any Series 2018 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 Holders as their names and addresses appear on the register it maintains with respect to the Series 2018 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 Holders of not less than a majority in aggregate principal amount of the Series 2018 Obligations then Outstanding. 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 Holders of not less a majority in aggregate principal amount of the Series 2018 Obligations then Outstanding under this Indenture. 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 Holders of a majority of the principal amount of Series 2018 Obligations then Outstanding object to the successor Trustee so appointed by the County and if such Holders designate another Person qualified to act as the Trustee, the County shall then appoint as the Trustee the Person so designated by the Holders.

(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 2018 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 equal benefit of all of the Holders.

*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; 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 or willful misconduct. 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.

(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 2018 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 accordance with corporate trust industry standards and shall be available for inspection by the County, or any of its agents, at any time, upon reasonable prior notice, during regular business hours.

*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 Holders of at least a majority in principal amount of Series 2018 Obligations then Outstanding, 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 2018 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 2018 Obligation (excluding the Trustee's authentication on the Series 2018 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 2018 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 2018 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 any of the Holders, 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 2018 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 2018 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 2018 Obligations to become includible in gross income for purposes of federal income taxes;

(vii) To preserve the exclusion of the interest on the Series 2018 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 2018 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 Holders of not less than a majority in principal amount of the Series 2018 Obligations then Outstanding 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; provided, however, nothing in this Section or Section 9.1 shall permit or be construed as permitting a supplement that would:

(i) extend the stated maturity of or time for paying interest on any Series 2018 Obligation or reduce the principal amount of or rate of interest payable on any Series 2018 Obligation without the consent of the Holder of such Series 2018 Obligation;

(ii) prefer or give a priority to any Series 2018 Obligation over any other Series 2018 Obligation without the consent of the Holder of such Series 2018 Obligation;

(iii) reduce the principal amount of Series 2018 Obligations then Outstanding the consent of the Holders of which is required to authorize such Supplement without the consent of the Holders of all Series 2018 Obligations then Outstanding;

(iv) increase the principal amount of Series 2018 Obligations then Outstanding, the request of the Holders of which is required by Section 7.1(d), without the consent of the Holders of all Series 2018 Obligations then Outstanding; or

(v) reduce the redemption price of any Series 2018 Obligation upon optional redemption or reduce any period of time prior to commencement of any optional redemption period set forth in Section 3.2 without the consent of the Holders of such Series 2018 Obligation.

(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 all registered Holders of Series 2018 Obligations then Outstanding at their addresses as they appear 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, and any such failure shall not affect the validity of such Supplement when consented to and approved as provided in 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 Holders of not less than the principal amount or number of Series 2018 Obligations Outstanding specified in subsection (a) for the Supplement in question, 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 any Holder of any Series 2018 Obligation, whether or not that Holder shall consented to the Supplement.

(d) Any such consent shall be binding upon the Holder of the Series 2018 Obligation giving such consent and upon any subsequent Holder of such Series 2018 Obligation and of any Series 2018 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 Holders of the required principal amount or number of Series 2018 Obligations have filed their consents 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 Holders of the required amount or number of the Series 2018 Obligations Outstanding have 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 2018 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 2018 Obligation previously or thereafter authenticated and delivered under this Indenture shall be bound by such Supplement.

(c) Any Series 2018 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 2018 Obligations modified to conform, in the opinion of the Trustee, to any such Supplement in exchange for and upon surrender of Series 2018 Obligations then Outstanding upon receipt of a Special Counsel's Opinion to the effect that such action will not cause the interest on any Series 2018 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 any of the Holders, 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 2018 Projects; (v) to preserve the exclusion of the interest on the Series 2018 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 2018 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 Holders of not less than a majority in principal amount of Series 2018 Obligations then Outstanding, given as provided in this Section; provided, however, no such amendment, change or modification may affect the obligation of the County to make payments under the Purchase Agreement or reduce the amount of or extend the time for making such payments, without the consent of the Holders of all Series 2018 Obligations then Outstanding.

(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 Holders of not less than the aggregate principal amount or number of Series 2018 Obligations 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 2018 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 2018 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 2018 Obligations previously executed and delivered that the County may have acquired in any manner whatsoever and such Series 2018 Obligations upon such surrender and cancellation shall be deemed to be paid and retired.

*Section 10.2 Providing for Payment of Series 2018 Obligations.*

(a) Payment of all or any part of the Series 2018 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 2018 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 2018 Obligations. The moneys and Defeasance Obligations shall be held by the Trustee or the Depository Trustee irrevocably in trust for the Holders of such Series 2018 Obligations solely for the purpose of paying the principal or redemption price of and interest on such Series 2018 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 2018 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 2018 Obligation as aforesaid until the earlier of:

(i) proper notice of redemption of such Series 2018 Obligation shall have been given in accordance with the provisions of Section 3.6 or, in the event said Series 2018 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 such Series 2018 Obligation in accordance with Section 3.6, that the deposit required by subsection (a) has been made with the Trustee and that said Series 2018 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 Series 2018 Obligation, plus interest thereon to the due date or redemption date thereof or (ii) the maturity of such Series 2018 Obligation.

(c) If payment of Series 2018 Obligations is so provided for, the Trustee or the Depository Trustee shall mail a notice so stating to (i) each Holder of a Series 2018 Obligation so provided for and (ii) the Treasurer of the County.

(d) Series 2018 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 Series 2018 Obligations shall nevertheless continue but the Holders of those Series 2018 Obligations 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 Series 2018 Obligations.

(e) No Series 2018 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 2018 Obligation is made, the interest payable on any Series 2018 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 2018 Obligations.

*Section 10.3 Payment of Series 2018 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 2018 Obligations and the registration, transfer, exchange and replacement of Series 2018 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 2018 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 Holders of that Series 2018 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 2018 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 2018 Obligations shall be proved by the register of such Series 2018 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 2018 Obligation, shall be conclusive and binding upon all future Holders of the same Series 2018 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 2018 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 2018 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 2018 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 2018 Obligation is due and payable is not a Business Day, payment may be made on Series 2018 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 2018 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 601 Travis Street, 16th Floor, Houston, Texas 77002, Attention: Corporate Trust Department;

(ii) If to the registered Holder of a Series 2018 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 2018 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 County represents that, to the best of its 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. The County shall, to the extent permitted by 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 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:.....LETHA GLOVER.....  
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.....  
Paul Gales

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:.....  
Title:.....

PIMA COUNTY, ARIZONA

By .....  
Finance and Risk Management Director

ATTEST:

.....  
Clerk, Board of Supervisors

APPROVED AS TO FORM:

GREENBERG TRAURIG, LLP,  
Special Counsel

By .....  
Paul Gales

**EXHIBIT A**

**FORM OF SERIES 2018 OBLIGATION**

[Insert Legend of Securities Depository As Appropriate]

SEWER SYSTEM REVENUE OBLIGATION, SERIES 2018,  
EVIDENCING A PROPORTIONATE INTEREST OF THE HOLDER HEREOF  
IN INSTALLMENT PAYMENTS OF THE PURCHASE PRICE TO BE PAID  
BY PIMA COUNTY, ARIZONA, PURSUANT TO A  
SERIES 2018 PURCHASE AGREEMENT,  
DATED AS OF APRIL 1, 2018  
AS ASSIGNED TO  
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE

No: .....

Denomination: .....

INTEREST <u>RATE:</u>	MATURITY <u>DATE:</u>	<u>DATED:</u>	<u>CUSIP:</u>
.....%	July 1, .....	April 12, 2018	721876 .....

REGISTERED OWNER: .....

PRINCIPAL AMOUNT: ..... DOLLARS

The registered owner identified above, or registered assigns, as the registered owner of this Sewer System Revenue Obligation, Series 2018 (this “*obligation*”), is the owner of an undivided proportionate interest in the right to receive certain installments of the “Purchase Price” pursuant to that certain Series 2018 Purchase Agreement, dated as of April 1, 2018 (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 2018 Obligation Indenture, dated as of April 1, 2018 (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 a portion of the installments of the Purchase Price denominated as principal coming due on the Maturity Date set forth above, and to receive on July 1, 2018, 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 registered owner’s proportionate 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, 2018. Said proportionate share of the portion of such installments designated as interest is the result of the multiplication of the aforesaid portion of such installments designated as principal by the rate per annum set forth above.

The proportionate share of the portion of the installments of the Purchase Price denominated as interest is payable when due to the person in whose name this obligation is registered at the close of business on the 15th day of the calendar month next preceding each Obligation Payment Date, except that interest not duly paid or provided for when due shall be payable to the person in whose name this obligation is registered at the close of business on a special record date to be fixed for the payment of defaulted interest. Such defaulted interest shall be payable to the person in whose name such obligation is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed to the holders of the obligations not less than 15 days preceding such special record date. Such notice shall be mailed to the holder in whose name this obligation is registered at the close of business on the fifth day preceding the date of mailing. If the Trustee registers the transfer on any 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 along with the obligation or obligations. (Any payment due on this obligation that shall not be paid when due shall bear interest at the rate of interest, compounded semiannually, set forth above from the date such payment is due until the payment is made.)

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. Payments of interest will be made by check mailed by the Trustee as paying agent to the registered address of the person entitled thereto; *provided, however,* that the Indenture provides that upon certain circumstances the payments of interest on this obligation may, at the direction of the person in whose name this obligation is registered, be made by wire transfer of immediately available funds. The proportionate share of the portion of the installments of the Purchase Price denominated as principal and any premium payable upon redemption, if any, when due, shall be paid upon surrender of this obligation at the designated corporate trust office of the Trustee.

This obligation is one of a series, limited in aggregate original principal amount of \$38,205,000 (the "*Series 2018 Obligations*"), which have 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 2018 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 2018

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 2018 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 2018 Obligations under such documents, to all of which the registered owner of this obligation, by acceptance of this obligation, assents.

The Series 2018 Obligations maturing on or prior to July 1, 2028, are not subject to optional redemption prior to maturity. The Series 2018 Obligations maturing on and after July 1, 2029, are subject to redemption, in whole or in part on any date on or after July 1, 2028, in increments of \$5,000 of principal amount due on a specific maturity date, in any order of maturity, all as directed by the County, and by lot within a maturity (as provided in the Indenture) by payment of the principal amount of each Series 2018 Obligation to be redeemed plus interest accrued to the date fixed for redemption, without premium.

Notice of redemption shall be mailed not less than 30 days nor more than 60 days prior to the date set for redemption to each registered owner of a Series 2018 Obligation to be so redeemed at the address shown on the books of the Trustee, but failure so to mail any such notice or any defect in such notice as to any Series 2018 Obligation shall not affect the validity of the proceedings for the redemption of any other Series 2018 Obligation. On the specified redemption date all Series 2018 Obligations called for redemption shall cease to bear interest and shall no longer be secured by the Indenture provided funds for redemption are on deposit at the place of payment at that time.

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 2018 Obligations may be made only

with the consent of a majority of the registered owners of the Series 2018 Obligations then outstanding under the Indenture, 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 2018 Obligations are and shall be executed and delivered only in fully registered form. Subject to the limitations provided for in the Indenture, this obligation may be exchanged for a like aggregate principal amount payable at maturity of Series 2018 Obligations of the same maturity in authorized denominations.

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 2018 Obligation or Series 2018 Obligations of the same maturity and in authorized denominations for the same 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 exchange or 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 2018 Obligation is entitled under the terms of such Series 2018 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

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

- |  |   |
|--|---|
| TEN COM -- as tenants in common  | UNIF GIFT/TRANS MIN ACT -- .....<br>(Cust.)       |
| TEN ENT -- as tenants by the entireties  | Custodian for ..... Under Uniform<br>(Minor)      |
| JT TEN -- as joint tenants with right of survivorship and not as tenants in common | Gifts/Transfers to Minors Act of .....<br>(State) |

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

#### ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto .....  
(Please Print or Typewrite Name, Address and Social Security Number or other Federal Tax Identification Number of Transferee) the within obligation and all rights thereunder, and irrevocably constitutes and appoints ..... attorney to transfer the within obligation on the books kept for registration thereof, with full power of substitution in the premises.

Dated: .....

Signature Guaranteed:

.....  
(Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee).

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

**EXHIBIT B**

**ORDER FOR DISBURSEMENT**

Pursuant to Section 5.8 of the Series 2018 Obligation Indenture, dated as of April 1, 2018 (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 out of the moneys deposited in the Delivery Costs Fund to the persons listed as payee on the Exhibit hereto upon receipt of an invoice from each payee in an amount not to exceed the amount listed for each payee.

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.

.....  
Dated

.....  
County Representative

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

SEWER SYSTEM REVENUE OBLIGATION, SERIES 2018,  
EVIDENCING A PROPORTIONATE INTEREST OF THE HOLDER HEREOF  
IN INSTALLMENT PAYMENTS OF THE PURCHASE PRICE TO BE PAID  
BY PIMA COUNTY, ARIZONA, PURSUANT TO A  
SERIES 2018 PURCHASE AGREEMENT,  
DATED AS OF APRIL 1, 2018  
AS ASSIGNED TO  
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE

No: 1

Denomination: \$4,000,000

INTEREST  
RATE:

5.00%

MATURITY  
DATE:

July 1, 2026

DATED:

April 12, 2018

CUSIP:

721876 TL4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FOUR MILLION DOLLARS DOLLARS

The registered owner identified above, or registered assigns, as the registered owner of this Sewer System Revenue Obligation, Series 2018 (this "*obligation*"), is the owner of an undivided proportionate interest in the right to receive certain installments of the "Purchase Price" pursuant to that certain Series 2018 Purchase Agreement, dated as of April 1, 2018 (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 2018 Obligation Indenture, dated as of April 1, 2018 (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 a portion of the installments of the Purchase Price denominated as principal coming due on the Maturity Date set forth above, and to receive on July 1, 2018, 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 registered owner's proportionate 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, 2018. Said proportionate share of the portion of such installments designated as interest is the result of the multiplication of the aforesaid portion of such installments designated as principal by the rate per annum set forth above.

The proportionate share of the portion of the installments of the Purchase Price denominated as interest is payable when due to the person in whose name this obligation is registered at the close of business on the 15th day of the calendar month next preceding each *Obligation Payment Date*, except that interest not duly paid or provided for when due shall be payable to the person in whose name this obligation is registered at the close of business on a special record date to be fixed for the payment of defaulted interest. Such defaulted interest shall be payable to the person in whose name such obligation is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed to the holders of the obligations not less than 15 days preceding such special record date. Such notice shall be mailed to the holder in whose name this obligation is registered at the close of business on the fifth day preceding the date of mailing. If the Trustee registers the transfer on any 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 along with the obligation or obligations. (Any payment due on this obligation that shall not be paid when due shall bear interest at the rate of interest, compounded semiannually, set forth above from the date such payment is due until the payment is made.)

Principal of 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. Payments of interest will be made by check mailed by the Trustee as paying agent to the registered address of the person entitled thereto; *provided, however*, that the Indenture provides that upon certain circumstances the payments of interest on this obligation may, at the direction of the person in whose name this obligation is registered, be made by wire transfer of immediately available funds. The proportionate share of the portion of the installments of the Purchase Price denominated as principal when due, shall be paid upon surrender of this obligation at the designated corporate trust office of the Trustee.

This obligation is one of a series, limited in aggregate original principal amount of \$38,205,000 (the "*Series 2018 Obligations*"), which have 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 2018 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 2018 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 2018 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 2018 Obligations under such documents, to all of which the registered owner of this obligation, by acceptance of this obligation, assents.

The Series 2018 Obligations maturing on or prior to July 1, 2028, are not subject to optional redemption prior to maturity. The Series 2018 Obligations maturing on and after July 1, 2029, are subject to redemption, in whole or in part on any date on or after July 1, 2028, in increments of \$5,000 of principal amount due on a specific maturity date, in any order of maturity, all as directed by the County, and by lot within a maturity (as provided in the Indenture) by payment of the principal amount of each Series 2018 Obligation to be redeemed plus interest accrued to the date fixed for redemption, without premium.

Notice of redemption shall be mailed not less than 30 days nor more than 60 days prior to the date set for redemption to each registered owner of a Series 2018 Obligation to be so redeemed at the address shown on the books of the Trustee, but failure so to mail any such notice or any defect in such notice as to any Series 2018 Obligation shall not affect the validity of the proceedings for the redemption of any other Series 2018 Obligation. On the specified redemption date all Series 2018 Obligations called for redemption shall cease to bear interest and shall no longer be secured by the Indenture provided funds for redemption are on deposit at the place of payment at that time.

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 2018 Obligations may be made only with the consent of a majority of the registered owners of the Series 2018 Obligations then outstanding under the Indenture, 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 2018 Obligations are and shall be executed and delivered only in fully registered form. Subject to the limitations provided for in the Indenture, this obligation may be exchanged for a like aggregate principal amount payable at maturity of Series 2018 Obligations of the same maturity in authorized denominations.

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 2018 Obligation or Series 2018 Obligations of the same maturity and in authorized denominations for the same 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 exchange or 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 2018 Obligation is entitled under the terms of such Series 2018 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: April 12, 2018

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

By.....  
Authorized Representative

REC-1111





Blanket Issuer Letter of Representations  
[To be Completed by Issuer]

PIMA COUNTY, ARIZONA  
(Name of Issuer)

JUNE 11, 1998  
(Date)

Attention: Underwriting Department — Eligibility  
The Depository Trust Company  
55 Water Street, 50th Floor  
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

PIMA COUNTY, ARIZONA  
(Issuer)

By: C. Huckelberry  
(Authorized Officer's Signature)

C. H. HUCKELBERRY, COUNTY ADMINISTRATOR  
(Type/print Name & Title)

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: [Signature]

130 W. Congress, 10th floor  
(Street Address)

Tucson, AZ 85701  
(City) (State) (Zip)

(520) 740-8661  
(Phone Number)

SCHEDULE A

SAMPLE OFFERING DOCUMENT LANGUAGE  
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$200 million, one certificate will be issued with respect to each \$200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

[6. Redemption notices shall be sent to Cede & Co. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records.]

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

\$38,205,000  
SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2018,  
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 2018 Purchase Agreement,  
Dated as of April 1, 2018

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CERTIFICATE ON BEHALF OF THE COUNTY

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The undersigned, Finance and Risk Management Director (the “*Finance Director*”) of Pima County, Arizona (the “*County*”) and Clerk (the “*Clerk*”) of the Board of Supervisors of the County, acting for and on behalf of the County, do hereby certify as follows with respect to the \$38,205,000 aggregate principal amount of Sewer System Revenue Obligations, Series 2018, 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 2018 Purchase Agreement, Dated as of April 1, 2018 (the “*Series 2018 Obligations*”), sold and executed and delivered pursuant to Resolution 2017-99, passed, adopted and approved by the Board of Supervisors of the County on December 19, 2017 (the “*Authorizing Resolution*”), authorizing and providing for the sale and execution and delivery of the Series 2018 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 19, 2017, 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 19, 2017.

3. The persons named below were from December 19, 2017, to and including February 5, 2018, 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
Steve Christy	Supervisor
Richard Elías	Supervisor
Ally Miller	Supervisor

The persons named below were from February 6, 2018, to and including the date hereof, the duly elected, qualified and acting members and incumbents of the office of the County set opposite their respective names:

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

4. 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 2018 Obligations, the Series 2018 Obligation Indenture, the Series 2018 Purchase Agreement, the Purchase Contract and the Undertaking (with the Authorizing Resolution, the Series 2018 Obligation Indenture, the Series 2018 Purchase Agreement and the Purchase Contract, 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.

5. 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.

6. 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 2018 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.

7. Except as described in the hereinafter described Official Statement, 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 2018 Obligations, the application of the proceeds thereof or the right to set rates and collect the Pledged Revenues (as defined in the Series 2018 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 2018 Obligations or the Documents, (iv) contesting the tax-exempt status of interest with respect to the Series 2018 Obligations, (v) contesting the completeness or accuracy of the Official Statement, dated March 27, 2018 (the “*Official Statement*”), prepared and delivered in connection with the offering and sale of the Series 2018 Obligations or (vi) contesting the powers of the County or any authority for the sale or execution and delivery of the Series 2018 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 2018 Obligations or the Documents, or have a material adverse effect upon the financial condition of the County or its operations.

8. 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 2018 Obligations, the Documents or the other agreements contemplated thereby.

9. 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 2018 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.

10. The County is now in compliance in all material respects with all existing continuing disclosure undertakings, and, except as otherwise may be described in offering documents for securities previously issued by the County, has never failed to comply in all material respects with any such continuing disclosure undertaking executed with regard to Rule 15c2-12 promulgated by the Securities Exchange Commission pursuant to the Securities

Exchange Act of 1934, as amended, to provide annual reports or notices of listed events required thereby.

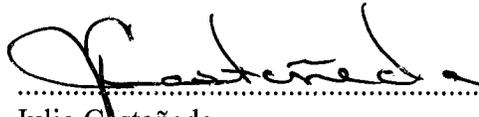
11. The Series 2018 Obligations are payable solely from a pledge of, and are secured by a first lien on, the Pledged Revenues, subject only to the prior pledge and lien on “Net Revenues” for the Senior Obligations pursuant to the Senior Lien Resolution (as such terms are defined in the Series 2018 Purchase Agreement), on a parity of lien with the following obligations: \$58,980,000 aggregate outstanding amount of the County’s Sewer System Revenue Obligations, Series 2010 (the “*2010 Obligations*”), \$60,880,000 aggregate outstanding amount of the County’s Sewer System Revenue Obligations, Series 2011B (the “*2011 Obligations*”), \$96,375,000 aggregate outstanding amount of the County’s Sewer System Revenue Obligations, Series 2012A (the “*2012 Obligations*”), \$40,600,000 aggregate outstanding amount of the County’s Sewer System Revenue Obligations, Series 2014 (the “*2014 Obligations*”), \$211,595,000 aggregate outstanding amount of the County’s Sewer System Revenue Refunding Obligations, Series 2016 (the “*2016 Obligations*”), and \$45,000,000 aggregate outstanding amount of the County’s Sewer System Revenue Obligations, Series 2017 (the “*2017 Obligations*”) additional bonds or obligations hereafter issued or incurred on a parity therewith as provided in the Series 2018 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, the 2016 Obligations and the 2017 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 2018 Obligations have been at least equal to 120 percent of the Parity Lien Test Debt Service, including the Series 2018 Obligations.

[Signature page follows.]

Dated: April 12, 2018



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



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

ATTACHMENT: Exhibit – Notice and Agenda for December 19, 2017, Meeting

[Signature page to Certificate on Behalf of the County]

**EXHIBIT**

Notice and Agenda for December 19, 2017, Meeting



# Pima County

## Meeting Agenda Board of Supervisors

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

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Tuesday, December 19, 2017

9:00 AM

Board of Supervisors' Hearing Room

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### 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*  
*Steve Christy, Member, District 4*

### AGENDA/ADDENDUM AND BROADCAST INFORMATION

*At least 24 hours before each scheduled meeting, the agenda/addendum is available online at [www.pima.gov](http://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](http://www.pima.gov)*

### PUBLIC PARTICIPATION SPEAKERS ARE LIMITED TO 3 MINUTES

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

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

### HEARING ROOM NOTICE

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

### ACCESSIBILITY

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

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

1. ROLL CALL
2. INVOCATION

To be offered by Rabbi Michael LaPoff, Congregation Beth Sar Shalom.

3. PLEDGE OF ALLEGIANCE
4. PAUSE 4 PAWS

#### PRESENTATION

5. **Recipients of Bronze Awards**  
Recognition of Pima County's Regional Wastewater Reclamation Department and Fleet Services Department for being recipients of Bronze Awards, received from the Arizona Department of Environmental Quality's Voluntary Environmental Stewardship Program. (District 3)

6. CALL TO THE PUBLIC

Attachments: CalltothePublic Michaels

CalltothePublic Cook

#### EXECUTIVE SESSION

*(Clerk's Note: As of the posting date of 12/13/17, no executive session item has been placed on the regular agenda. However, this is subject to any addendum. Pursuant to A.R.S. §38-431.03(A)(3) the Board of Supervisors, or the Board sitting as other boards, may vote to go into executive session for the purpose of obtaining legal advice from its counsel with respect to any item listed on this agenda or any addendum thereto.)*

7. APPROVAL OF CONSENT CALENDAR

#### BOARD OF SUPERVISORS

8. **Private Operation of Correctional Facilities and Detention Centers**  
RESOLUTION NO. 2017 - 97, of the Board of Supervisors, in opposition to the private operation of correctional facilities and detention centers and to the employment of private corporations for Pima County detention facilities and criminal-justice programs. (District 5)

Attachments: BOS ResoPrivateCorrFacsDetCntrs District5Submittal

**COUNTY ADMINISTRATOR**

9. **2018 Legislative Agenda**  
RESOLUTION NO. 2017 - 98, of the Board of Supervisors, adopting a Pima County Legislative Program for 2018.  
Attachments: CA\_ResoLegislativeAgenda2018

**FINANCE AND RISK MANAGEMENT**

10. **Quarterly Report on Collections**  
Staff recommends acceptance of the Quarterly Report on Collections for the period ending September 30, 2017.  
Attachments: FN\_QuarterlyReportonCollections
11. **Sewer Revenue Obligations**  
RESOLUTION NO. 2017 - 99, 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 2018 Obligation Indenture of Sewer System Revenue Obligations, Series 2018, in an aggregate principal amount not in excess of \$46,000,000.00, 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 2018 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 2018 Obligations; ordering the sale of such Series 2018 Obligations; authorizing, if necessary, the execution and delivery of a continuing disclosure undertaking with respect to such Series 2018 Obligations; and authorizing the Finance Director to expend all necessary funds therefor.  
Attachments: FN\_ResoSewerRevenueObligations  
FN\_CAMemorandum
12. **Certificates of Participation**  
RESOLUTION NO. 2017 - 100, of the Board of Supervisors, authorizing the lease and lease-purchase back of certain real property, including buildings and structures, in order to finance and refinance projects for the County; authorizing the execution and delivery of amendments and supplements to a Lease Purchase Agreement and a Trust Agreement and other necessary agreements, instruments and documents; approving the execution and delivery of Certificates of Participation to provide the

necessary financing and refinancing therefor; and authorizing other actions and matters in connection therewith.

**Attachments:** FN ResoCertificatesofParticipation

FN CAMemorandum

FN ResoCertificatesofParticipation Revised

13.

**Street and Highway Revenue Bonds**

RESOLUTION NO. 2017 - **101**, of the Board of Supervisors, providing for the issuance and sale of not exceeding \$12,000,000.00, principal amount of Pima County, Arizona, Street and Highway Revenue Bonds, in one or more series; providing for the payment of the bonds; providing terms, covenants and conditions concerning the bonds; providing for the sale of the bonds; authorizing and directing the execution and delivery of documents and further actions relating to the issuance of the bonds; appointing an initial bond registrar and paying agent for the bonds; and approving and ratifying all actions taken in furtherance of this resolution.

**Attachments:** FN ResoStreetHighwayRevenueBonds

FN CAMemorandum

**INDUSTRIAL DEVELOPMENT AUTHORITY**

14.

**La Paloma Academy Schools Project**

RESOLUTION NO. 2017 - **102**, of the Board of Supervisors of Pima County, Arizona, approving the proceedings of the Industrial Development Authority of the County of Pima regarding the issuance of its not to exceed \$18,000,000.00 Education Revenue Loan Obligations (Arizona Community Development Corporation - La Paloma Academy Schools Project, 2050 North Wilmot Road, 8140 East Golf Links Road, and 5660 South 12th Avenue, all in Tucson, Arizona), Series 2017 and declaring an emergency.

**Attachments:** IDA LaPalomaAcademySchoolsProject

15. **ADJOURNMENT**

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

**Pima County Homepage: [www.pima.gov](http://www.pima.gov)**

**DATE/TIME POSTED: 12/13/17 @ 3:00 p.m.**

**DATE/TIME REPOSTED (additional attachments only): 12/15/17 @ 2:25 p.m.**

**DATE/TIME REPOSTED (combined Agenda/Addendum and additional attachments):  
12/18/17 @ 5:00 p.m.**

**DATE/TIME REPOSTED (additional attachments only): 12/20/17 @ 9:30 a.m.**

**ADDENDUM 1****PRESENTATION**

- 1. 2017 Southern Arizona Chapter of the American Society of Safety Engineers' Community Safety Award**  
Presentation of the 2017 Southern Arizona Chapter of the American Society of Safety Engineers' (SAASSE) Community Safety Award by Mark Grushka to the Pima County Board of Supervisors in recognition of the Board's efforts to reduce the hazards of distracted driving.(District 3)

**PRESENTATION/PROCLAMATION**

- 2. Presentation of a proclamation to Francie Merryman, proclaiming the day of Tuesday, December 19, 2017 to be: "FRANCIE MERRYMAN DAY"**  
*Attachments:* PROC FrancieMerrymanDay

**EXECUTIVE SESSION**

- 3. Pursuant to A.R.S. §38-431.03(A) (3) and (4), for legal advice and direction regarding the Third Party Complaint filed against Pima County in the matter of Bill Staples v. Hawaii Holdings, L.L.C., Arizona Tax Court Case No. TX2017-000100.**  
*Attachments:* PCA ExecSession-StaplesvHawaiiHoldings

**SITTING AS THE BOARD OF SUPERVISORS****BOARD OF SUPERVISORS**

- 4. Authority to Ask Voters to Approve Tax for Roads**  
Discussion regarding the Memorandum from Andrew L. Flagg, Chief Civil Deputy County Attorney, and Regina L. Nassen, Deputy County Attorney, dated December 8, 2017, regarding Board authority to ask voters to approve an excise tax for roads, and to which Attorney-Client Privilege was waived at the December 12, 2017, Board of Supervisors' Meeting.  
(District 1)  
*Attachments:* BOS BoardAuthorityVoterApproveExciseTax\_District1Submittal
- 5. Request for Reconsideration - District 2**  
  
On December 12, 2017, the Board of Supervisors approved the following:  
  
**Regional Local Road Repair Program Recommendation**  
Staff recommends approval of the Regional Local Road Repair Program.

It was moved by Supervisor Miller and seconded by Supervisor Christy to accept the Regional Road Repair Program as recommended and amended by citizens of Districts 1 and 4.

A substitute motion was made by Supervisor Elías and seconded by Supervisor Valadez to approve the Regional Road Repair Program Plan as presented by staff. Upon roll call vote, the motion carried 3-2, Supervisors Christy and Miller voted "Nay."

*Attachments:* [BOS RequestforReconsideration District2Submittal](#)

[BOS RequestforReconsideration District1Submittal](#)

## CONTRACT AND AWARD

### PUBLIC WORKS ADMINISTRATION

6. Green Valley Community Coordinating Council, Inc., Amendment No. 2, to provide Green Valley Council services and extend contract term to 12/31/18, DOT (30%), RWRD (20%), DEQ (15%), Health (15%), DSD (10%) and RFCD (10%) Funds, contract amount \$75,000.00 (CT-PW-16-180)

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

### REAL PROPERTY

7. James Sieminski, Jr. and Angela Marie Sieminski, to provide a Sale of Surplus Real Property consisting of a portion of Tax Parcel No. 101-01-6220, contract amount \$1,645.00 revenue (CTN-PW-18-90)
- Attachments:* [CTN-PW-18-90](#)
8. Friends of Robles Ranch, Inc., d.b.a. My Friend's Closet, Amendment No. 2, to provide a lease at Robles Ranch Community Center for the operation and distribution of a clothing bank and donation center, extend contract term to 12/31/18 and amend contractual language, no cost (CTN-PW-16-31)
- Attachments:* [CTN-PW-16-31](#)
9. Verizon Wireless, L.L.C., Amendment No. 4, to provide a site specific agreement for wireless communications facilities, located at 5245 W. Sunset Road, amend contractual language, contract amount \$33,101.25 revenue (CTN-IT-15-107)
- Attachments:* [CTN-IT-15-107](#)
10. Arizona State Land Department (ASLD), to provide a perpetual Right-of-Way for an underground sewer line along Tax Parcels Nos. 141-01-005C and 141-02-0010, in Section 2, T15S, R15E, G&SRM, no cost (CTN-PW-18-92)

Attachments: [CTN-PW-18-92](#)

11. Arizona State Land Department (ASLD), to provide an amendment to ASLD Right-of-Way for an additional 1.39 acres along Colossal Cave Road, no cost (CTN-PW-18-91)

Attachments: [CTN-PW-18-91](#)

[CTN-PW-18-91 Appraisal](#)

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

**Pima County Homepage: [www.pima.gov](http://www.pima.gov)**

**DATE/TIME POSTED: 12/15/17 @ 11:45 a.m.**

**CONSENT  
CALENDAR  
DECEMBER 19, 2017**

**CONSENT CALENDAR, DECEMBER 19, 2017****CONTRACT AND AWARD****Community Services, Employment and Training**

1. Tucson Youth Development, Inc., to provide for the Pathways to Justice Careers for Youth Program, USDOL Fund, contract amount \$328,249.60 (CT-CS-18-150)  
*Attachments:* [CT-CS-18-150](#)
2. Goodwill Industries of Southern Arizona, Inc., to provide for youth-workforce development services, General Fund, contract amount \$155,011.14 (CT-CS-18-155)  
*Attachments:* [CT-CS-18-155](#)
3. Loyola Associates, d.b.a. Jose Gabriel Loyola, to provide for workforce programs consultant and technical assistance, USDOL, ADES and General (\$5,400.00) Funds, contract amount \$45,000.00 (CT-CS-18-156)  
*Attachments:* [CT-CS-18-156](#)
4. SER-Jobs for Progress of Southern Arizona, Inc., to provide for youth-workforce development services, General Fund, contract amount \$147,529.37 (CT-CS-18-159)  
*Attachments:* [CT-CS-18-159](#)
5. Portable Practical Educational Preparation, Inc., to provide for youth-workforce development services, General Fund, contract amount \$42,495.06 (CT-CS-18-161)  
*Attachments:* [CT-CS-18-161](#)
6. Tucson Youth Development, Inc., to provide for youth-workforce development services, General Fund, contract amount \$154,628.36 (CT-CS-18-162)  
*Attachments:* [CT-CS-18-162](#)
7. Tucson Urban League, Inc., to provide for youth-workforce development services, General Fund, contract amount \$43,697.64 (CT-CS-18-164)  
*Attachments:* [CT-CS-18-164](#)
8. Catholic Community Services of Southern Arizona, Inc., to provide for the Getting Ahead in a Just-Gettin'-By World - Workshops, CSBG Fund, contract amount \$4,470.00 (CT-CS-18-168)  
*Attachments:* [CT-CS-18-168](#)

**Procurement**

9. Greenlight Traffic Engineering, L.L.C., to provide for sign inventory and panel replacement, HSIP Fund, contract amount \$667,673.72 (CT-TR-18-153) Transportation  
*Attachments:* [CT-TR-18-153](#)
10. Kittleson and Associates, Inc., Amendment No. 2, to provide for engineering design services for Aerospace Parkway Widening (4AER02), extend contract term to 6/30/19 and amend contractual language, HURF 12.6% and RWRD obligations Funds, contract amount \$79,475.16 (CT-PW-17-337) Public Works Administration  
*Attachments:* [CT-PW-17-337](#)
11. **Award**  
Amendment of Award: Master Agreement No. MA-PO-16-248, Amendment No. 2, The Ashton Company, Inc., Contractors and Engineers; Borderland Construction Company, Inc.; and KE&G Construction, Inc., to provide for wastewater reclamation facilities construction services. This amendment increases the Master Agreement's not-to-exceed amount by \$2,000,000.00 from \$12,000,000.00 to \$14,000,000.00 to allow for pending Job Order projects through the current term of the agreement. Funding Source: RWRD Obligations and RWRD General Operations & Maintenance Funds. Administering Department: Regional Wastewater Reclamation.  
*Attachments:* [PO\\_AwardMA-PO-16-248](#)

**GRANT APPLICATION/ACCEPTANCE**

12. **Acceptance - Health**  
Arizona Department of Health Services, Amendment No. 1, to provide for the Arizona's Prescription Drug Overdose Prevention Program - Pima County, ADHS and CDC Funds, \$41,272.00 (GTAM 18-25)  
*Attachments:* [GR GTAM 18-25](#)
13. **Acceptance - Health**  
Arizona Department of Health Services, to provide for the Tuberculosis Control Program (Directly Observed Therapy), CDC and ADHS Funds, \$85,372.00 (GTAW 18-37)  
*Attachments:* [GR GTAW 18-37](#)
14. **Acceptance - Pima Animal Care Center**  
Maddie's Fund, to provide for the Alternatives to Intake-Innovation Grant, \$5,000.00 (GTAW 18-38)  
*Attachments:* [GR GTAW 18-38](#)

**ELECTIONS**

15.

**Precinct Committeemen**

Pursuant to A.R.S. §16-821B, approval of Precinct Committeemen resignations and appointments:

**RESIGNATION-PRECINCT-PARTY**

Robert Rowley-016-DEM

**Attachments:** EL\_PrecinctCommitteemenEL\_CommentLetter\_12-15-17\_Redacted**TREASURER**

16.

**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 \$50,888.82.

**Attachments:** TO\_CertificateofRemovalAbatement

# *Certificate of Clerk*

*Board of Supervisors of Pima County, Arizona*

*State of Arizona*

*County of Pima* <sup>ss</sup>

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

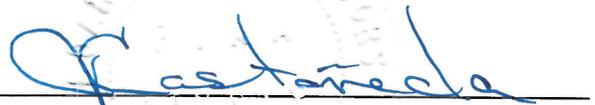
*I further certify that the attached resolution entitled*

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 <sup>SS</sup>

*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

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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 2018 OBLIGATION INDENTURE OF SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2018, IN AN AGGREGATE PRINCIPAL AMOUNT NOT IN EXCESS OF \$46,000,000, 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 2018 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 2018 OBLIGATIONS; ORDERING THE SALE OF SUCH SERIES 2018 OBLIGATIONS; AUTHORIZING, IF NECESSARY, THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO SUCH SERIES 2018 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.

(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 and (ii) 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) the Series 2011B Purchase Price pursuant to the Series 2011B Purchase Agreement evidenced by the Series 2011B Obligations and (iii) 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) the Series 2011B Purchase Price pursuant to the Series 2011B Purchase Agreement evidenced by the Series 2011B Obligations, (iii) the Series 2012A Purchase Price pursuant to the Series 2012A Purchase Agreement evidenced by the Series 2012A Obligations

and (iv) the Series 2014 Purchase Price pursuant to the Series 2014 Purchase Agreement evidenced by the Series 2014 Obligations.

(i) In order to purchase, construct and operate other additions and improvements to the System (the "Series 2017 Property"), the County authorized the execution and delivery of \$45,000,000 aggregate amount of Sewer System Revenue Obligations, Series 2017 (the "Series 2017 Obligations"), pursuant to the Series 2017 Obligation Indenture, dated as of January 1, 2017, between the County and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Series 2017 Trustee"), which Series 2017 Obligations evidence proportionate interests of the holders thereof in installment payments of the purchase price for the Series 2017 Property (the "Series 2017 Purchase Price") to be paid by the County pursuant to the Series 2017 Purchase Agreement, dated as of January 1, 2017 (the "Series 2017 Purchase Agreement"), between the County and the Series 2017 Trustee in its separate capacity as seller. The Series 2017 Obligations constitute Additional Obligations payable from the Pledged Revenues and payment of the Series 2017 Purchase Price pursuant to the Series 2017 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) the Series 2011B Purchase Price pursuant to the Series 2011B Purchase Agreement evidenced by the Series 2011B Obligations, (iii) the Series 2012A Purchase Price pursuant to the Series 2012A Purchase Agreement evidenced by the Series 2012A Obligations, (iv) the Series 2014 Purchase Price pursuant to the Series 2014 Purchase Agreement evidenced by the Series 2014 Obligations and (v) the Series 2016 Purchase Price pursuant to the Series 2016 Purchase Agreement evidenced by the Series 2016 Obligations.

(j) 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 2018 Property"). Therefore, the Board intends to execute and deliver a Series 2018 Purchase Agreement, to be dated as of the first day of the month of the dated date of the hereinafter described Series 2018 Obligations (the "Series 2018 Purchase Agreement"), in substantially the form on file with the Clerk of the Board, by which the County will agree to purchase the Series 2018 Property.

(k) The acquisition of the Series 2018 Property will be financed through the sale and execution and delivery of certain proportionate interests (the "Series 2018 Obligations") in the Series 2018 Purchase Agreement pursuant to, and secured by, a Series 2018 Obligation Indenture, to be dated as of the date of the Series 2018 Purchase Agreement (the "Series 2018 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 2018 Trustee"), in substantially the form on file with the Clerk of the Board.

(l) The Board intends for the Series 2018 Obligations to be sold (i) directly to one or more banks, as purchaser of the Series 2018 Obligations (collectively, the "Purchaser"), pursuant to a banking lending proposal solicited by RBC Capital Markets, LLC, as bank solicitor (in such capacity as bank solicitor, the "Bank Solicitor"), pursuant to a Bank Solicitor

Agreement, to be dated as determined by the parties thereto (the "Bank Solicitor Agreement"), between the County and the Bank Solicitor 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 2018 Obligations is not received from such banks, 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 2018 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.

(m) The Underwriter, if any, 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 2018 Obligations as an underwriter, and in that regard, if the Series 2018 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 2018 Obligations (the "Undertaking"), with respect to the Series 2018 Obligations, in substantially the same form as that executed and delivered by the County in connection with the Series 2016 Obligations.

(n) The County has the requisite power and authority to execute and deliver the Series 2018 Purchase Agreement and to cause the sale and execution and delivery of the Series 2018 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 2018 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 2018 Property and the related costs of the sale and execution and delivery of the Series 2018 Obligations, the Series 2018 Obligations shall be sold and executed and delivered as one or more series of obligations (determined as hereinafter provided). The Series 2018 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 2018 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 2018 Trustee executing and delivering the same on behalf of the Series 2018 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 2018 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 2018 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 2018 Obligations or such portion thereof and any agreement related thereto including causing the Series 2018 Obligations to be issued in multiple series as designated by them. Notwithstanding the foregoing, the aggregate principal amount of the Series 2018 Obligations shall not exceed \$46,000,000, the Series 2018 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 2018 Obligations to be exempt from federal income taxation, but in any event not later than July 1, 2033, and the Series 2018 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 2018 Purchase Agreement, the Series 2018 Obligation Indenture, the Bank Solicitor 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 2018 Obligations, the Series 2018 Purchase Agreement and the Series 2018 Obligation Indenture to accommodate sale of the Series 2018 Obligations to the Purchaser instead of the Underwriter including specifically matters related to the form, authorized denominations and method of payment of the Series 2018 Obligations and to add covenants relating to matters such as providing certain information as required by the Purchaser.

(c) The Series 2018 Trustee is hereby requested to execute and deliver the Series 2018 Obligations, the Series 2018 Purchase Agreement and the Series 2018 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 2018 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 2018 Purchase Agreement, the Series 2018 Obligation Indenture, the Bank Solicitor 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 2018 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 2018 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 2018 Obligations.

Section 3. Acceptance of Proposal. So long as the terms for the Series 2018 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 a Certificate and Receipt of the Purchaser. The Series 2018 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 Underwriter in accordance with the terms of the Purchase Contract or the Purchaser.

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 2018 Obligations in substantially the same form as that used in connection with the sale of the Series 2016 Obligations 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 2018 Obligations (the "Official Statement"), relating to the Series 2018 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 2018 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 Austin, Texas, is hereby appointed as the Series 2018 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.

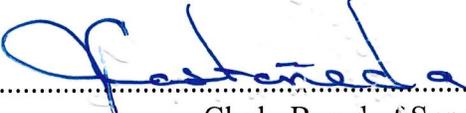
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PASSED, ADOPTED, AND APPROVED by the Board of Supervisors of Pima County, Arizona, on December 19, 2017.

By  .....

Sharon Bronson, Chair, Board of Supervisors

ATTEST:

 .....

Clerk, Board of Supervisors

APPROVED AS TO FORM:

GREENBERG TRAURIG, LLP  
Special Counsel

By  .....

Michael Cafiso

\$38,205,000  
SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2018,  
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 2018 Purchase Agreement,  
Dated as of April 1, 2018

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CERTIFICATE OF THE COUNTY REQUIRED BY  
THE OBLIGATION PURCHASE AGREEMENT

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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 Purchase Contract between the County and RBC Capital Markets, LLC, dated March 27, 2018 (the “Purchase Contract”), with respect to the above-referenced Obligations. To the best of my knowledge, I do hereby further certify:

1. that the representations and warranties of the County contained in the Purchase Contract are true and correct in all material respects on and as of the date hereof as if made on the date hereof;

2. that no litigation or proceeding or tax challenge against the County is pending or overtly threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the directors or officers of the County to hold and exercise their respective positions, (b) contest the due organization and valid existence of the County, (c) contest the validity, due authorization and execution of the Obligations or the County Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the County from functioning and collecting, pledging or paying Pledged Revenues to make installment payments under the Purchase Agreement;

3. that the Authorizing Resolution authorizing the execution, delivery and/or performance of the Official Statement, the Obligations, the County Documents and the Tax Agreement has been duly adopted by the County, is in full force and effect and has not been modified, amended or repealed; and

4. that no event affecting the County has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and

information therein, in light of the circumstances under which made, not misleading in any material respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date hereof does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

[Signature page follows.]

Dated: April 12, 2018

A handwritten signature in black ink, appearing to read "Keith Dommer", written over a horizontal dotted line.

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

\$38,205,000  
 SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2018,  
 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 2018 Purchase Agreement,  
 Dated as of April 1, 2018

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REQUEST TO AUTHENTICATE AND DELIVER

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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 2018 Obligation Indenture, dated as of April 1, 2018 (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 RBC Capital Markets, LLC (the “*Underwriter*”), upon payment in federal funds at the direction of the County of the sum of \$45,185,553.05, being the principal amount (\$38,205,000.00), plus original issue premium (\$7,209,783.05), and less Underwriter’s compensation (\$229,230.00), all in accordance with the Indenture.

The Obligations to be initially authenticated and executed and delivered, all dated the date hereof, shall mature on July 1, in the years and in the principal amounts, and shall bear interest at the rates per annum, payable on each interest payment date, all as set forth below opposite the year of maturity as fully registered Obligations, numbered as provided in the definitive forms thereof, one per maturity and registered in the name of Cede & Co., as the nominee of The Depository Trust Company, New York, New York:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2026	\$4,000,000	5.00%
2027	4,200,000	5.00
2028	4,410,000	5.00
2029	4,630,000	5.00
2030	4,865,000	5.00
2031	5,105,000	5.00
2032	5,365,000	5.00
2033	5,630,000	5.00

Dated: April 12, 2018

PIMA COUNTY, ARIZONA

By .....  
Keith Dommer  
Finance and Risk Management Director

[Signature page to Request to Authenticate and Deliver]

**\$38,205,000**  
**SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2018**  
**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 2018 Purchase Agreement, Dated as of April 1, 2018**

**PURCHASE CONTRACT**

March 27, 2018

Board of Supervisors  
Pima County, Arizona  
130 West Congress Street, 10th Floor  
Tucson, Arizona 85701

Ladies and Gentlemen:

The undersigned, RBC Capital Markets, LLC, acting on its own behalf (the “Underwriter”), offers to enter into this Purchase Contract with Pima County, Arizona (the “County”) which, upon the County’s written acceptance of this offer, will be binding upon the County and upon the Underwriter. This offer is made subject to the County’s written acceptance hereof on or before 11:59 p.m., MST time, on March 27, 2018, and, if not so accepted, this offer will be subject to withdrawal by the Underwriter upon notice delivered to the County at any time prior to the acceptance hereof by the County. The offer of the Underwriter is made by signing the signature line provided and delivering the signed page to the County. The acceptance is made by the County signing the signature line provided and delivering the signed page to the Underwriter. Delivery includes sending in the form of a facsimile or telecopy or via the internet as a portable document format (PDF) file or other replicating image attached to an electronic message. Terms not otherwise defined in this Purchase Contract shall have the same meanings set forth in the Indenture (as defined herein) or in the Official Statement (as defined herein).

The captioned obligations (the “Obligations”) shall be executed and delivered pursuant to the Series 2018 Obligation Indenture, to be dated as of April 1, 2018 (the “Indenture”), between the County and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the “Trustee”), and Resolution No. 2017-99, passed, adopted and approved by the Board of Supervisors of the County December 19, 2017 (the “Authorizing Resolution”). The Obligations will evidence proportionate interests of the holders thereof in installment payments of the purchase price to be paid by the County pursuant to a Series 2018 Purchase Agreement, to be dated as of April 1, 2018 (the “Purchase Agreement”), between The Bank of New York Mellon Trust Company, N.A., in its capacity as seller, and the County, as purchaser. The County’s obligation to make installment payments under the Purchase Agreement shall be

payable solely from and secured by a pledge of, a first lien on, and a security interest in, the Pledged Revenues which are derived from the operation of the sewer system of the County (the “Sewer System”), subject to the pledge thereof and lien thereon for the Prior Obligations and on a parity to the pledge thereof and lien thereon for the Parity Obligations and the Additional Obligations hereafter issued on a parity therewith.

The Obligations are being executed and delivered for the purpose of (i) paying costs of the 2018 Projects described in the hereinafter-defined Official Statement, and (ii) paying costs incurred in connection with the execution and delivery of the Obligations.

The Obligations will be offered by means of the Preliminary Official Statement of the County, dated March 14, 2018, relating to the Obligations (including the cover page and all appendices, the “Preliminary Official Statement”) and the final Official Statement of the County, dated the date of this Purchase Contract, relating to the Obligations (including the cover page and all appendices, the “Official Statement”). The County will enter into and deliver a written undertaking (the “Continuing Disclosure Undertaking”) to provide, or cause to be provided, ongoing disclosure for the benefit of the owners of the Obligations as described in the Continuing Disclosure Undertaking for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the “Disclosure Rule”). The County will execute and deliver the Tax Agreement (as such term is hereinafter defined).

This Purchase Contract, the Indenture, the Purchase Agreement and the Continuing Disclosure Undertaking are referred to as the “County Documents.”

1. **Purchase and Sale of the Obligations.**

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the County, and the County hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Obligations. Inasmuch as this purchase and sale represents a negotiated transaction, the County acknowledges and agrees that: (i) the transaction contemplated by this Purchase Contract is an arm’s length, commercial transaction between the County and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as municipal advisor, financial advisor or fiduciary to the County; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the County with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the County on other matters); (iii) the Underwriter is acting solely in its capacity as underwriter for its own account; (iv) the only obligations the Underwriter has to the County with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract; and (v) the County has consulted its own legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

The principal amount of the Obligations to be executed and delivered, the dated date of the Obligations, the maturities and optional redemption provisions and interest rates per annum and resulting prices or yields are set forth in Schedule I hereto.

(b) The aggregate purchase price of the Obligations shall be \$45,185,553.05 (the “Purchase Price”) which represents an aggregate principal amount of the Obligations of \$38,205,000.00, plus original issue premium of \$7,209,783.05, and minus the Underwriter’s discount of \$229,230.00.

2. **Public Offering.** The Underwriter agrees to make a bona fide public offering of all of the Obligations at a price not to exceed the public offering price set forth on the inside front cover of the Official Statement and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell the Obligations to certain dealers (including dealers depositing the Obligations into investment trusts) and others at prices lower than the public offering price stated on the inside front cover of the Official Statement.

3. **Establishment of Issue Price.**

(a) The Underwriter agrees to assist the County in establishing the issue price of the Obligations and shall execute and deliver to the County at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the County and Greenberg Traurig, LLP (“Special Counsel”), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Obligations.

(b) The County will treat the first price at which 10% of each maturity of the Obligations (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the County the price or prices at which it has sold to the public each maturity of Obligations.

(c) The Underwriter confirms that any selling group agreement relating to the initial sale of the Obligations to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group to (A) report the prices at which it sells to the public the unsold Obligations of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Obligations of that maturity or all Obligations of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Issuer acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on in the event a selling group has been created in connection with the initial sale of the Obligations to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Obligations.

(d) The Underwriter acknowledges that sales of any Obligations to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) “public” means any person other than an underwriter or a related party,

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the County to participate in the initial sale of the Obligations to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Obligations to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Obligations to the public), and

(3) a purchaser of any of the Obligations is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

#### 4. **The Official Statement.**

(a) The Preliminary Official Statement has been prepared by the County for use by the Underwriter in connection with the public offering, sale and distribution of the Obligations by the Underwriter. The County hereby deems the Preliminary Official Statement final as of its date, except for the omission of such information which is dependent upon the final pricing of the Obligations for completion, all as permitted to be excluded by Section (b)(1) of the Disclosure Rule.

(b) The County represents that appropriate officials of the County have reviewed and approved the information in the Official Statement and that the Board of Supervisors of the County has authorized the Official Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Obligations. The County consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Obligations. The County shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the County’s acceptance of this Purchase Contract (but, in any event, not later than within seven business days after the County’s acceptance of this Purchase Contract and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Disclosure Rule and the rules of the Municipal Securities Rulemaking Board (the

“MSRB”). The County hereby confirms that it does not object to the distribution of the Official Statement in electronic form.

(c) If, after the date of this Purchase Contract to and including the date the Underwriter is no longer required to provide the Official Statement to potential customers who request the same pursuant to the Disclosure Rule (the earlier of (i) 90 days from the “end of the underwriting period” (as defined in Disclosure Rule) for the Obligations and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the “end of the underwriting period” for the Obligations), the County becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the County will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request), and if, in the opinion of the County or the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the County will forthwith prepare and furnish, at the County’s own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the County shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(d) The Underwriter hereby agrees to file the Official Statement with the MSRB. Unless otherwise notified in writing by the Underwriter, the County can assume that the “end of the underwriting period” for purposes of the Rule is the date of the Closing described in Section 5(a) hereof.

5. **Representations, Warranties and Covenants of the County.** The undersigned, on behalf of the County (but not individually), hereby represents and warrants to and covenants with the Underwriter that:

(a) The County is a political subdivision of the State of Arizona (the “State”) duly created, organized and existing under the laws of the State and has full legal right, power and authority, and at the date of the Closing will have full legal right, power and authority (i) to enter into, execute and deliver, as applicable, the County Documents and the Tax Agreement, (ii) to cause the Trustee to sell, execute and deliver the Obligations to the Underwriter as provided herein, and (iii) to carry out and consummate the transactions contemplated by the County Documents and the Official Statement; and the County has complied, and will at the Closing be in compliance in all respects, with the terms of the County Documents and the Tax Agreement as they pertain to such transactions;

(b) By all necessary official action of the County prior to or concurrently with the acceptance hereof, the County has duly authorized all necessary action to be taken by it for (i) the execution of the County Documents and the Tax Agreement and the sale, execution and delivery of the Obligations, (ii) the approval, execution and delivery of, and the performance by the County of the obligations on its part, contained in the Obligations and the County Documents and (iii) the consummation by it of all other transactions contemplated by the Preliminary Official Statement, the County Documents, and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the County in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Preliminary Official Statement;

(c) The County Documents constitute legal, valid and binding obligations of the County, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights and in the case of the Continuing Disclosure Undertaking, subject to annual appropriations, and in the case of the Purchase Agreement, subject to the indemnification provisions thereof being subject to limitation under applicable securities laws; the Purchase Agreement, when executed and delivered and paid for, in accordance with the Indenture and this Purchase Contract, will constitute legal, valid and binding obligations of the County entitled to the benefits of the Indenture and enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the execution and delivery of the Obligations as aforesaid, the Indenture will provide, for the benefit of the owners, from time to time, of the Obligations, the legally valid and binding pledge of and lien it purports to create as set forth in the Indenture;

(d) The County is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or to which the County is or any of its property or assets are otherwise subject; and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the County under any of the foregoing; and the execution and delivery of the Obligations and the County Documents and compliance with the provisions on the County's part contained therein, will not conflict materially with or constitute a material breach of or default under any material constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or to which the County is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the County to be pledged to secure the Purchase Agreement and the Obligations or under the terms of any such law, regulation or instrument, except as provided by the Purchase Agreement and the Indenture;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the

matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the County of its obligations under the County Documents and the Obligations have been duly obtained, except for such approvals, consents and orders as may be required under the “blue sky” or securities laws of any jurisdiction in connection with the offering and sale of the Obligations;

(f) Other than conforming date changes, the Obligations conform to the descriptions thereof contained in the Preliminary Official Statement under the caption “THE 2018 OBLIGATIONS,” and the proceeds of the sale of the Obligations will be applied generally as described in the Preliminary Official Statement under the caption “SOURCES AND USES OF FUNDS;”

(g) There is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or overtly threatened, against the County, affecting the 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, execution and delivery of the Obligations or the collection of the Pledged Revenues promised for 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, the County Documents, or contesting the exclusion from gross income of interest on the Obligations for federal income tax purposes or State income tax purposes or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the County or any authority for the execution and delivery of the Obligations or the execution and delivery of the County Documents, nor is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Obligations or the County Documents;

(h) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) At the time of the County’s acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (c) of Section 3 of this Purchase Contract) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) If the Official Statement is supplemented or amended pursuant to paragraph (c) of Section 3 of this Purchase Contract, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or

necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(k) The County will apply, or cause to be applied, the proceeds from the sale of the Obligations as provided in and subject to all of the terms and provisions of the Indenture and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes or State income tax purposes of the interest on the Obligations;

(l) The County will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (A) to (1) qualify the Obligations for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (2) determine the eligibility of the Obligations for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Obligations (provided, however, that the County will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the County of any notification with respect to the suspension of the qualification of the Obligations for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(m) The financial statements of the County, and other financial information regarding the County in the Official Statement fairly present the financial position and results of the County as of the dates and for the periods therein set forth; prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the County; and the County is not a party to any litigation or other proceeding pending or threatened which, if decided adversely to the County, would have a materially adverse effect on the financial condition of the County;

(n) The statements and information contained in Appendices A, B and C of the Official Statement fairly and accurately summarize the matters purported to be summarized therein;

(o) Prior to the Closing, and to the extent not otherwise prohibited from agreeing to do so pursuant to applicable law the County will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the revenues or assets which will secure the Obligations without the prior approval of the Underwriter;

(p) Any certificate, signed by any official of the County authorized to do so in connection with the transactions contemplated by this Purchase Contract, shall be deemed a representation and warranty by the County to the Underwriter as to the statements made therein;

(q) The County is currently in compliance with continuing disclosure undertakings which the County has entered into pursuant to paragraph (b)(5) of the Disclosure Rule; and

(r) The County has submitted to the Arizona Department of Administration the information required with respect to previous issuances of bonds and securities pursuant to A.R.S. Section 35-501(B).

6. **Closing.**

(a) At 8:00 a.m. MST time, on April 12, 2018, or at such other time and date as shall have been mutually agreed upon by the County and the Underwriter (the “Closing”), the County will, subject to the terms and conditions hereof, cause the Trustee to deliver the Obligations to the Underwriter in the aggregate principal amount of each maturity duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Obligations as set forth in Section 1 of this Purchase Contract by a certified or bank cashier’s check or checks or wire transfer payable in immediately available funds to the order of the County. Payment for the Obligations as aforesaid shall be made at the offices of Special Counsel, or such other place as shall have been mutually agreed upon by the County and the Underwriter.

(b) Delivery of the Obligations shall be made to The Depository Trust Company, New York, New York. The Obligations shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Obligation for each maturity of the Obligations, registered in the name of Cede & Co., all as provided in the Indenture, and shall be made available to the Underwriter at least one business day before the Closing for purposes of inspection.

7. **Closing Conditions.** The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the County contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the County of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter’s obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Obligations shall be conditioned upon the performance by the County of its obligations to be performed hereunder and under such documents and instruments, at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the County of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) The representations and warranties of the County contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The County shall have performed and complied with all agreements and conditions required by this Purchase Contract to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the County Documents and the Obligations shall be in full force and effect in the form heretofore approved by the Underwriter and shall not

have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter, and (ii) all actions of the County required to be taken by the County shall be performed in order for Special Counsel and Counsel for the Underwriter to deliver their respective opinions referred to hereafter;

(d) At the time of the Closing, all official action of the County relating to the Obligations and the County Documents shall be in full force and effect and shall not have been amended, modified or supplemented;

(e) At or prior to the Closing, the County Documents and the Tax Agreement shall have been duly executed and delivered by the County, and the Trustee shall have duly executed and delivered the Obligations;

(f) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the County from that set forth in the Official Statement that in the judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Obligations on the terms and in the manner contemplated in the Official Statement;

(g) The County shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(h) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Purchase Contract shall be reasonably satisfactory in legal form and effect to the Underwriter;

(i) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the County by the Chair of the Board of Supervisors, or such other officials as may have been agreed to by the Underwriter, and the reports and audits referred to or appearing in the Official Statement;

(2) The County Documents and the Tax Agreement with such supplements or amendments as may have been agreed to by the Underwriter;

(3) The approving opinion of Special Counsel with respect to the Obligations, in substantially the form attached to the Official Statement, and a reliance letter addressed to the Underwriter;

(4) A supplemental opinion of Special Counsel addressed to the Underwriter, substantially to the effect that:

(i) the Obligations are exempted securities under the Securities Act of 1933, as amended (the "1933 Act"), and the Trust Indenture Act of 1939, as amended (the

“Trust Indenture Act”) and it is not necessary, in connection with the offering and sale of the Obligations, to register the Obligations under the 1933 Act or to qualify the Indenture under the Trust Indenture Act; and

(ii) the statements and information contained in the Official Statement under the captions “THE 2018 OBLIGATIONS,” “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2018 OBLIGATIONS,” “TAX EXEMPTION,” “CONTINUING SECONDARY MARKET DISCLOSURE” (other than information relating to the County’s compliance with prior undertakings, as to which no opinion need be expressed) and Appendices D, G, H and I fairly and accurately summarized the matters purported to be summarized therein;

(5) An opinion, dated the date of the Closing and addressed to the Underwriter, of Counsel for the Underwriter; to the effect that:

(i) the Obligations are exempt securities under the 1933 Act and the Trust Indenture Act and it is not necessary, in connection with the offering and sale of the Obligations, to register the Obligations under the 1933 Act and the Indenture need not be qualified under the Trust Indenture Act; and

(ii) based upon their participation in the preparation of the Official Statement, as Counsel for the Underwriter, and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel has no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for any financial, forecast, technical and statistical statements and data included in the Official Statement, in each case as to which no view need be expressed);

(6) An opinion of Counsel to the County or supplemental opinion of Special Counsel or both, addressed to the Underwriter, to the effect that:

(i) The County is a political subdivision, duly created, organized and existing under the laws of the State, and has full legal right, power and authority (A) to enter into, execute and deliver the County Documents and the Tax Agreement, (B) to sell and cause the Trustee to execute and deliver the Obligations to the Underwriter as provided herein, and (C) to carry out and consummate the transactions contemplated by the County Documents and the Official Statement, and the County has complied, and will at the Closing be in compliance in all material respects, with the terms of the County Documents as they pertain to such transactions;

(ii) By all necessary official action of the County prior to or concurrently with the acceptance hereof, the County has duly authorized all necessary action to be taken by it for (A) the adoption of the Authorizing Resolution and the execution and delivery of the County Documents and the Tax Agreement and the sale, execution and delivery of the Obligations, (B) the approval, execution and delivery of, and the performance by the County of the obligations on its part, contained in the Obligations and the County Documents, and (C) the

consummation by it of all other transactions contemplated by the Official Statement and the County Documents;

(iii) The County Documents have been duly authorized, executed and delivered by the County and constitute legal, valid and binding obligations of the County enforceable against the County in accordance with their respective terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws and equitable principles of general application relating to or affecting the enforcement of creditors' rights and, in the case of the Continuing Disclosure Undertaking, subject to annual appropriations and, in the case of the Purchase Agreement, subject to the indemnification provisions thereof being subject to limitation under applicable securities laws;

(iv) The distribution of the Preliminary Official Statement and the Official Statement has been duly authorized by the County;

(v) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the County of its obligations under the County Documents and the Obligations have been obtained;

(vi) 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 collection and pledge of the Pledged Revenues 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, the County Documents, or contesting the exclusion from gross income of interest on the Obligations for federal income tax purposes or State income tax purposes or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, 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 County Documents, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Obligations or the County Documents; and

(vii) The adoption of the Authorizing Resolution and the execution and delivery of the County Documents and compliance by the County with the provisions hereof and thereof, under the circumstances contemplated herein and 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;

(7) A certificate, dated the date of Closing, of the appropriate officers of the County to the effect that to the best of their knowledge (i) the representations and

warranties of the County contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) no litigation or proceeding or tax challenge against it is pending or overtly threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the directors or officers of the County to hold and exercise their respective positions, (b) contest the due organization and valid existence of the County, (c) contest the validity, due authorization and execution of the Obligations or the County Documents, or (d) attempt to limit, enjoin or otherwise restrict or prevent the County from functioning and collecting, pledging or paying Pledged Revenues to make installment payments under the Purchase Agreement, (iii) the Authorizing Resolution authorizing the execution, delivery and/or performance of the Official Statement, the Obligations, the County Documents and the Tax Agreement has been duly adopted by the County, is in full force and effect and has not been modified, amended or repealed, and (iv) no event affecting the County has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any material respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(8) A certificate of the County in form and substance satisfactory to Special Counsel and Counsel for the Underwriter (the "Tax Agreement") setting forth the reasonable expectations of the individual executing such certificate on the date of the Closing, which establish that it is not expected that the proceeds of the Obligations will be used in a manner that would cause the Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code;

(9) A certificate of the Trustee to the effect that (i) the Obligations have been duly executed and delivered by an authorized officer of the Trustee; (ii) the Indenture and the Purchase Agreement have been duly executed and delivered by an authorized officer of the Trustee; and (iii) the resolutions of the Trustee authorizing the execution and delivery and/or performance of the Indenture by the Trustee have been duly adopted by the Trustee are in full force and effect and have not been modified, amended or repealed;

(10) The filing copy of Report of Bond and Security Issuance Pursuant to A.R.S. Section 35-501(B) of the Arizona Department of Administration;

(11) A copy of the filing copy of the Information Return Form 8038-G for the Obligations required by Section 149(e) of the Code;

(12) Any other certificates and opinions required by the Authorizing Resolution and the Indenture for the execution and delivery thereunder of the Obligations;

(13) Evidence satisfactory to the Underwriter that the Obligations have received a rating of “AA-” by S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, and a rating of “AA” by Fitch Ratings, Inc., and that such ratings are in effect as of the date of the Closing;

(14) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or Counsel for the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the County’s representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the County on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the County.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If the County shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Obligations contained in this Purchase Contract, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the County shall be under any further obligation hereunder except that the respective obligations of the County to the Underwriter set forth in Section 8(c) hereof shall continue in full force and effect.

8. **Termination**. The Underwriter shall have the right to cancel its obligation to purchase the Obligations if, between the date of this Purchase Contract and the Closing, the market price or marketability of the Obligations shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the Arizona 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 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, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to (i) impose, directly or indirectly, federal income taxation or State income taxation upon interest received on obligations of the general character of the Obligations as described in the Official Statement, or (ii) 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;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Obligations, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Obligations, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Obligations as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of any material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Obligations or as to obligations of the general character of the Obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(f) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the County, its property, income securities (or interest thereon), or the validity or enforceability of the pledge of the Pledged Revenues to pay principal of and interest on the Obligations;

(g) any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there shall have occurred since the date of this Purchase Contract any materially adverse change in the affairs or financial condition of the County;

(i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other

outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise;

(j) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement;

(k) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the County's obligations;

(l) the purchase of and payment for the Obligations by the Underwriter, or the resale of the Obligations by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

9. **Expenses.**

(a) The Underwriter shall be under no obligation to pay, and the County shall pay, but solely from the proceeds of the sale of the Obligations, any expenses incident to the performance of the County's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Obligations, the Preliminary Official Statement and the Official Statement, (ii) the fees and disbursements of Special Counsel, Counsel to the County, Counsel for the Underwriter and the Trustee, (iii) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the County; and (iv) the fees associated with obtaining or receiving the ratings and any and all credit enhancement fees or premiums. The County shall also pay for any expenses (included in the expense component of the Underwriter's discount) incurred by the Underwriter which are incidental to implementing this Purchase Contract. The County acknowledges that, in addition to the underwriting compensation included herein, it has reviewed and approved all of the costs of issuance being financed as a part of the Obligation transaction and such costs will only be paid by the Trustee upon specific approval of the County.

(b) The Underwriter shall pay (i) all advertising expenses in connection with the public offering of the Obligations and (ii) all other expenses incurred by it in connection with the public offering of the Obligations.

(c) If this Purchase Contract shall be terminated by the Underwriter because of any failure or refusal on the part of the County to comply with the terms or to fulfill any of the conditions of this Purchase Contract, or if for any reason the County shall be unable to perform its obligations under this Purchase Contract, the County will reimburse the Underwriter for all out-of-pocket expenses reasonably incurred by the Underwriter in connection with this Purchase Contract or the offering contemplated hereunder from funds legally available to it for such purpose.

10. **Notices.** Any notice or other communication to be given to the County under this Purchase Contract may be given by delivering the same in writing to:

Pima County, Arizona  
130 West Congress Street, 10<sup>th</sup> Floor  
Tucson, Arizona 85701  
Attention: Director of Finance and Risk Management

and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to:

RBC Capital Markets, LLC  
2398 East Camelback Road, Suite 700  
Phoenix, Arizona 85016  
Attention: Kurt Freund

11. **Parties in Interest.** This Purchase Contract as heretofore specified shall constitute the entire agreement between the County and the Underwriter and is made solely for the benefit of the County and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof this Purchase Contract may not be assigned by the County. All of the County's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Obligations pursuant to this Purchase Contract; and (iii) any termination of this Purchase Contract.

12. **Effectiveness.** This Purchase Contract shall become effective upon the acceptance hereof by the County and shall be valid and enforceable at the time of such acceptance.

13. **Choice of Law.** This Purchase Contract shall be governed by and construed in accordance with the law of the State.

14. **Severability.** If any provision of this Purchase Contract 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 Purchase Contract invalid, inoperative or unenforceable to any extent whatever.

15. **Business Day.** For purposes of this Purchase Contract, "business day" means any day on which the New York Stock Exchange is open for trading.

16. **Section Headings.** Section headings have been inserted in this Purchase Contract as a matter of convenience of reference only and it is agreed that such section headings are not a part of this Purchase Contract and will not be used in the interpretation of any provisions of this Purchase Contract.

17. **Counterparts.** This Purchase Contract 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.

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

[Signature page to follow]

If you agree with the foregoing, please sign the enclosed counterpart of this Purchase Contract and return it to the Underwriter. This Purchase Contract shall become a binding agreement between you and the Underwriter when at least the counterpart of this Purchase Contract shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

RBC CAPITAL MARKETS, LLC,  
Underwriter

By:   
Name: Kurt Freund  
Title: Managing Director

ACCEPTED at 12:51 o'clock p.m. MST this  
27<sup>th</sup> day of March   , 2018.

PIMA COUNTY, ARIZONA

By:   
Its: Finance and Risk Management Director

[Signature page to Purchase Contract]

**SCHEDULE I**

**\$38,205,000**

**SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2018  
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 2018 Purchase Agreement, Dated as of April 1, 2018**

**MATURITY SCHEDULE**

Dated: Date of Initial Delivery

The Obligations mature on July 1 in the years and amounts and bear interest at the rates per annum and will be sold to produce the yields shown below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2026	\$4,000,000	5.00%	2.54%
2027	4,200,000	5.00	2.66
2028	4,410,000	5.00	2.70
2029	4,630,000	5.00	2.81*
2030	4,865,000	5.00	2.83*
2031	5,105,000	5.00	2.88*
2032	5,365,000	5.00	2.90*
2033	5,630,000	5.00	2.94*

\*Yield calculated to July 1, 2028, the first optional redemption date.

Prior Redemption

The Obligations maturing on or before July 1, 2028, are not subject to redemption prior to maturity. The Obligations maturing on or after July 1, 2029, are subject to redemption, in whole or in part on any date on or after July 1, 2028, in increments of \$5,000 of principal amount due on a specific maturity date, in any order of maturity, all as directed by the County, and by lot within a maturity by payment of the principal amount of each Obligation to be redeemed plus interest accrued to the date fixed for redemption, without premium.

\$38,205,000  
SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2018,  
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 2018 Purchase Agreement,  
Dated as of April 1, 2018

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CONTINUING DISCLOSURE UNDERTAKING  
FOR THE PURPOSE OF PROVIDING  
CONTINUING DISCLOSURE INFORMATION  
UNDER SECTION (b)(5) OF RULE 15c2-12

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This Continuing Disclosure Undertaking (this “*Undertaking*”) is executed and delivered by Pima County, Arizona (the “*County*”), in connection with the sale and execution and delivery of \$38,205,000 Sewer System Revenue Obligations, Series 2018, 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 2018 Purchase Agreement, Dated as of April 1, 2018 (the “*Obligations*”), executed and delivered pursuant to the Series 2018 Obligation Indenture, dated as of April 1, 2018, by and between the County and The Bank of New York Mellon Trust Company, N.A., as trustee.

In connection with the Obligations, the County covenants and agrees as follows:

1. Definitions. In addition to the terms defined above, the terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

“*Annual Information*” means the financial information and operating data set forth in Exhibit I.

“*Annual Information Disclosure*” means the dissemination of disclosure concerning Annual Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“*Audited Financial Statements*” means the general purpose audited financial statements of the County prepared pursuant to the standards and as described in Exhibit I.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any agent designated as such in writing by the County and which has filed with the County a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Listed Event*” means the occurrence of any of the events with respect to the Obligations set forth in Exhibit II.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Rule*” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“*Undertaking*” means the obligations at the County pursuant to Sections 4, 5, 6 and 7 hereof.

“*Underwriter*” includes each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Obligations.

2. Purpose of this Undertaking. This Undertaking is executed and delivered by the County as of the date set forth below, for the benefit of the beneficial owners of the Obligations and in order to assist the Underwriter in complying with the requirements of the Rule.

3. CUSIP Number/Final Official Statement. The base CUSIP Number of the Obligations is 721876. The Final Official Statement relating to the Obligations is dated March 27, 2018.

4. Annual Information Disclosure. Subject to Section 8 of this Undertaking, the County shall disseminate its Annual Information and its Audited Financial Statements, if any (in the form and by the dates set forth in Exhibit I) to the MSRB through EMMA, in a format prescribed by the MSRB. The County is required to deliver such information in such manner and by such time so that the MSRB receives the information on the date specified.

If any part of the Annual Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the County will disseminate a statement to such effect as part of its Annual Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Listed Events Disclosure. Subject to Section 8 of this Undertaking, the County hereby covenants that it will disseminate notice of occurrence of a Listed Event to the MSRB

through EMMA not later than ten business days after the occurrence of the Listed Event, in a format prescribed by the MSRB, except that for events 2, 7, 10, 13 and 14, listed in Exhibit II, the County will provide such notice if it determines that such event would be material under applicable federal securities laws.

6. Consequences of Failure of the County to Provide Information. The County shall give notice in a timely manner to the MSRB through EMMA, in a format prescribed by the MSRB, of any failure to provide Annual Information Disclosure when the same is due hereunder.

In the event of a failure of the County to comply with any provision of this Undertaking, the beneficial owner of any Obligation may seek mandamus or specific performance by court order, to cause the County to comply with its obligations under this Undertaking. A default under this Undertaking shall not be an Event of Default on the Obligations. The sole remedy under this Undertaking in the event of any failure of the County to comply with this Undertaking shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any provision of this Undertaking, the County by certified resolutions authorizing each amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived, if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the County, or type of business conducted;

(b) This Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the beneficial owners of the Obligations, as determined by an independent counsel or other entity unaffiliated with the County.

8. Non-Appropriation. The performance by the County of its obligations in this Undertaking shall be subject to the annual appropriation of any funds that may be necessary to permit such performance. In the event of a failure by the County to comply with its covenants under this Undertaking due to a failure to appropriate the necessary funds, the County covenants to provide prompt notice of such fact to the MSRB through EMMA.

9. Termination of Undertaking. The Undertaking of the County shall be terminated hereunder when the County no longer has liability for any obligation relating to repayment of the Obligations or the Rule no longer applies to the Obligations. The County shall give notice in a timely manner if this Section is applicable to the MSRB through EMMA.

10. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may

discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. Additional Information. Nothing in this Undertaking shall be deemed to prevent the County from disseminating any other information using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Undertaking. If the County chooses to include any information from any document or notice of occurrence of Listed Event in addition to that which is specifically required by this Undertaking, the County shall have no obligation under this Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Listed Event.

12. Beneficiaries. This Undertaking has been executed in order to assist the Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the County, the Dissemination Agent, if any, and the beneficial owners of the Obligations, and shall create no rights in any other person or entity.

13. Recordkeeping. The County shall maintain records of all Annual Information Disclosure and notices of occurrence of Listed Events including the content of such disclosure or notices, the names of the entities with whom such disclosure or notices were filed and the date of filing such disclosure or notices.

14. Assignment. The County shall not transfer its obligations in connection to the Obligations unless the transferee agrees to assume all obligation of the County under this Undertaking or to execute an Undertaking under the Rule.

[Signature page follows.]

Dated: April 12, 2018

PIMA COUNTY, ARIZONA

By  .....

Keith Dommer  
Finance and Risk Management Director

## EXHIBIT I

### ANNUAL FINANCIAL INFORMATION AND AUDITED FINANCIAL STATEMENTS

“Annual Financial Information” means quantitative financial information and operating data concerning the operations of the County of the type set forth in the Official Statement in Appendix A in the tables entitled “SUMMARY OF WASTEWATER USER FEES,” “SUMMARY OF USER FEE REVENUES,” “CONNECTION FEE REVENUES,” “REVENUES FROM OTHER FEES AND CHARGES” and “PIMA COUNTY REGIONAL WASTEWATER RECLAMATION ENTERPRISE FUND COMPARATIVE STATEMENTS OF SYSTEM GROSS REVENUES, OPERATION AND MAINTENANCE EXPENDITURES AND ESTIMATED AND PROJECTED PLEDGED REVENUES AVAILABLE FOR DEBT SERVICE” but only, in each case, as it relates to the most recently completed fiscal year of the County.

Annual Financial Information exclusive of Audited Financial Statements will be provided to the MSRB through EMMA, no later than the first business day in February of each year, commencing February 1, 2019. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by Audited Financial Statements when available.

Audited Financial Statements will be prepared according to generally accepted accounting principles (“GAAP”), as applied to governmental units as modified by State law, Audited Financial Statements will be provided to the MSRB through EMMA, at the same time as Annual Financial Information is filed, or if not available when such Annual Financial Information is filed, within 30 days after availability to the County.

If any change is made to the Annual Financial Information as permitted by Section 4 of this Undertaking, the County will disseminate a notice of such change as required by Section 4, including changes in Fiscal Year or GAAP.

## EXHIBIT II

### EVENTS FOR WHICH NOTICE OF OCCURRENCE OF LISTED EVENTS IS REQUIRED

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Obligations;
7. Modifications to rights of holders of the Obligations, if material;
8. Obligation calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Obligations, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the County;

Note: For the purposes of the event identified in paragraph 12, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

13. The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

March 13, 2018

Pima County  
Finance Department  
130 West Congress Street, 10th Floor  
Tucson, AZ 85701  
Attention: Mr. Thomas Burke, Deputy County Administrator

Re: *US\$37,400,000 Pima County, Arizona, Sewer System Revenue Obligation, Series 2018, dated: Date of delivery, due: July 01, 2033*

Dear Mr. Burke:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA" . S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements) will become effective only after we have released the rating on [standardandpoors.com](http://standardandpoors.com). Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: [pubfin\\_statelocalgovt@spglobal.com](mailto:pubfin_statelocalgovt@spglobal.com). If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:  
S&P Global Ratings  
Public Finance Department  
55 Water Street  
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and

Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at [www.standardandpoors.com](http://www.standardandpoors.com). If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings  
a division of Standard & Poor's Financial Services LLC

sc  
enclosures

cc: ***Ms. Kathryn C. Pong***  
***Mr. Keith Dommer***

**S&P Global Ratings**  
**Terms and Conditions Applicable To Public Finance Credit Ratings**

General. The credit ratings and other views of S&P Global Ratings are statements of opinion and not statements of fact. Credit ratings and other views of S&P Global Ratings are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While S&P Global Ratings bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, S&P Global Ratings does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and S&P Global Ratings' opinions should not be relied upon in making any investment decision. S&P Global Ratings does not act as a "fiduciary" or an investment advisor. S&P Global Ratings neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice. Unless otherwise indicated, the term "issuer" means both the issuer and the obligor if the obligor is not the issuer.

All Credit Rating Actions in S&P Global Ratings' Sole Discretion. S&P Global Ratings may assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, at any time, in S&P Global Ratings' sole discretion. S&P Global Ratings may take any of the foregoing actions notwithstanding any request for a confidential or private credit rating or a withdrawal of a credit rating, or termination of a credit rating engagement. S&P Global Ratings will not convert a public credit rating to a confidential or private credit rating, or a private credit rating to a confidential credit rating.

Publication. S&P Global Ratings reserves the right to use, publish, disseminate, or license others to use, publish or disseminate a credit rating and any related analytical reports, including the rationale for the credit rating, unless the issuer specifically requests in connection with the initial credit rating that the credit rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private credit rating or the existence of a confidential or private credit rating subsequently becomes public through disclosure other than by an act of S&P Global Ratings or its affiliates, S&P Global Ratings reserves the right to treat the credit rating as a public credit rating, including, without limitation, publishing the credit rating and any related analytical reports. Any analytical reports published by S&P Global Ratings are not issued by or on behalf of the issuer or at the issuer's request. S&P Global Ratings reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public credit ratings that have been withdrawn, regardless of the reason for such withdrawal. S&P Global Ratings may publish explanations of S&P Global Ratings' credit ratings criteria from time to time and S&P Global Ratings may modify or refine its credit ratings criteria at any time as S&P Global Ratings deems appropriate.

Reliance on Information. S&P Global Ratings relies on issuers and their agents and advisors for the accuracy and completeness of the information submitted in connection with credit ratings and the surveillance of credit ratings including, without limitation, information on material changes to information previously provided by issuers, their agents or advisors. Credit ratings, and the maintenance of credit ratings, may be affected by S&P Global Ratings' opinion of the information received from issuers, their agents or advisors.

March 09, 2018

Mr. Keith Dommer  
Finance and Risk Management Director  
Pima County  
130 West Congress, 10th Floor  
Tucson, AZ 85701

Dear Mr. Dommer:

Fitch Ratings has assigned one or more ratings and/or otherwise taken rating action(s), as detailed in the attached Notice of Rating Action.

In issuing and maintaining its ratings, Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of Fitch's ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

Fitch seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. Fitch is not your advisor, nor is Fitch providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services.

The assignment of a rating by Fitch does not constitute consent by Fitch to the use of its name as an expert in connection with any registration statement or other filings under US, UK or any other relevant securities laws. Fitch does not consent to the inclusion of its ratings in any offering document in any instance in which US, UK or any other relevant securities laws requires such consent. Fitch does not consent to the inclusion of any written letter communicating its rating action in any offering document. You understand that Fitch has not consented to, and will not consent to, being named as an "expert" in connection with any registration statement or other filings under US, UK or any other relevant securities laws, including but not limited to Section 7 of the U.S. Securities Act of 1933. Fitch is not an "underwriter" or "seller" as those terms are defined under applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933, nor has Fitch performed the roles or tasks associated with an "underwriter" or "seller" under this engagement.

It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason Fitch deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between Fitch and you or between us and any user of the ratings.

In this letter, "Fitch" means Fitch Ratings, Inc. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please feel free to contact us at any time.

Jeff Schaub  
Managing Director  
U.S. Public Finance

JS/em

Enc: Notice of Rating Action  
(Doc ID:210857 Rev 0)

## Notice of Rating Action

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<b>Bond Description</b>	<b>Rating Type</b>	<b>Rating Action</b>	<b>Rating</b>	<b>Outlook/ Watch</b>	<b>Eff Date</b>	<b>Notes</b>
Pima County (AZ) swr sys rev obligs ser 2018	Long Term Rating	New Rating	AA-	RO:Sta	09-Mar-2018	
Pima County (AZ) swr sys rev obligs ser 2018	Unenhanced Long Term Rating	New Rating	AA-	RO:Sta	09-Mar-2018	

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**Key:** RO: Rating Outlook, RW: Rating Watch, Pos: Positive, Neg: Negative, Sta: Stable, Evo: Evolving

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Confidential Information. S&P Global Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received from issuers, their agents or advisors. For these purposes, "Confidential Information" shall mean verbal or written information that the issuer or its agents or advisors have provided to S&P Global Ratings and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential."

S&P Global Ratings Not an Expert, Underwriter or Seller under Securities Laws. S&P Global Ratings has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. S&P Global Ratings has not performed and will not perform the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with a credit rating engagement.

Disclaimer of Liability. S&P Global Ratings does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a credit rating or the results obtained from the use of such information. S&P GLOBAL RATINGS GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. S&P Global Ratings, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to any person for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to a credit rating or the related analytic services even if advised of the possibility of such damages or other amounts.

No Third Party Beneficiaries. Nothing in any credit rating engagement, or a credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of a credit rating. No person is intended as a third party beneficiary of any credit rating engagement or of a credit rating when issued.

\$38,205,000  
 SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2018,  
 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 2018 Purchase Agreement,  
 Dated as of April 1, 2018

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RECEIPT OF UNDERWRITER

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The undersigned officer of RBC Capital Markets, LLC, does hereby acknowledge receipt of the above-referenced Obligations, dated the date hereof, aggregating in the maturities and bearing interest at the rates set forth below and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2026	\$4,000,000	5.00%
2027	4,200,000	5.00
2028	4,410,000	5.00
2029	4,630,000	5.00
2030	4,865,000	5.00
2031	5,105,000	5.00
2032	5,365,000	5.00
2033	5,630,000	5.00

Dated: April 12, 2018

RBC CAPITAL MARKETS, LLC

By  .....

Kurt Freund, Managing Director

April 12, 2018

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

Re: Sewer System Revenue Obligations, Series 2018, 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 2018 Purchase Agreement, Dated as of April 1, 2018

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 \$38,205,000 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 2018 Obligation Indenture, dated as of April 1, 2018 (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”). Each of the Obligations represents an undivided and proportionate interest in certain obligations of the County pursuant to the Series 2018 Purchase Agreement, dated as

ALBANY  
AMSTERDAM  
ATLANTA  
AUSTIN  
BERLIN  
BOCA RATON  
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  
SECUL  
SHANGHAI  
SILICON VALLEY  
TALLAHASSEE  
TAMPA  
TEL AVIV  
TOKYO  
WARSAW  
WASHINGTON, D.C.  
WESTCHESTER COUNTY  
WEST PALM BEACH  
\*OPERATES AS GREENBERG  
TRAURIG GERMANY LLP  
\*OPERATES AS  
GREENBERG TRAURIG MATHER LLP  
\*OPERATES AS  
GREENBERG TRAURIG S.C.  
\*STRATEGIC ALLIANCE  
\*OPERATES AS  
GREENBERG TRAURIG LLP  
PHOENIX LEGAL CONSULTANT OFFICE  
\*A PRACTICE OF  
GREENBERG TRAURIG, P.A.  
FLORIDA USA  
\*OPERATES AS  
SAY TOKYO HOPSTEUBAUSHO  
\*OPERATES AS GREENBERG  
TRAURIG GREEK LAW LLP

of April 1, 2018 (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 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. For corporations, tax legislation enacted in 2017 eliminated the federal alternative minimum tax for taxable years beginning after December 31, 2017; no opinion is being provided with respect to the federal alternative

minimum tax imposed on corporations for taxable years beginning before January 1, 2018. 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. (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*

April 12, 2018

RBC Capital Markets, LLC  
Phoenix, Arizona

Re: Sewer System Revenue Obligations, Series 2018, 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 2018 Purchase Agreement, Dated as of April 1, 2018

Pursuant to a Purchase Contract, dated March 27, 2018 (the “*Purchase Contract*”), by and between Pima County, Arizona, and RBC Capital Markets, LLC, 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. All terms used herein shall have the same meaning assigned to such terms in the Purchase Contract.

With the same exceptions, reliances and assumptions provided therein and further relying specifically on the opinion of the County Attorney of the County, dated the date hereof, as to matters addressed therein, we hereby supplement the aforesaid approving opinion and further advise you as follows:

1. The statements and information contained, but not incorporated by reference, under the headings “THE 2018 OBLIGATIONS,” “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2018 OBLIGATIONS,” “TAX EXEMPTION” and “CONTINUING SECONDARY MARKET DISCLOSURE” (other than information relating to the County’s compliance with prior undertakings, as to which no opinion need be expressed) in, and in Appendices D, G, H and I to, the Official Statement are a fair and accurate summary of the information which they purport to summarize. Otherwise, in connection with our participation in the transaction as special counsel, we have had no part in the preparation of the information appearing in the Official Statement and have not undertaken to determine independently the accuracy, completeness or fairness of the statements contained therein.

ALBANY  
AMSTERDAM  
ATLANTA  
AUSTIN  
BERLIN  
BOCA RATON  
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  
TRAURIG GERMANY LLP  
OPERATES AS  
GREENBERG TRAURIG MAHARISHI  
OPERATES AS  
GREENBERG TRAURIG, S.C.  
STRATEGIC ALLIANCE  
OPERATES AS  
GREENBERG TRAURIG LLP  
FOREIGN LEGAL CONSULTANT OFFICE  
A BRANCH OF  
GREENBERG TRAURIG, P.A.  
FLORIDA, USA  
OPERATES AS  
GT TOKYO HORTSUIJIBANSHO  
OPERATES AS GREENBERG  
TRAURIG CHINA LLP

2. The County has full legal right, power and authority (A) to enter into, execute and deliver the County Documents and the Tax Agreement, (B) to sell and cause the Trustee to execute and deliver the Obligations to the Underwriter as provided in the Purchase Contract and (C) to carry out and consummate the transactions contemplated by the County Documents and the Official Statement, and the County has complied, and will at the Closing be in compliance in all material respects, with the terms of the County Documents as they pertain to such transactions.

3. By all necessary official action of the County prior to or concurrently with the acceptance of the Purchase Contract, the County has duly authorized all necessary action to be taken by it for (A) the execution and delivery of the County Documents and the Tax Agreement and the sale, execution and delivery of the Obligations, (B) the approval, execution and delivery of, and the performance by the County of the obligations on its part, contained in the Obligations and the County Documents and (C) the consummation by it of all other transactions contemplated by the Official Statement and the County Documents.

4. The Purchase Contract and the Continuing Disclosure Undertaking have been duly authorized, executed and delivered by the County and, subject to annual appropriation to provide for the expenses of compliance therewith in connection with the Continuing Disclosure Undertaking, constitute legal, valid and binding obligations of the County enforceable against the County in accordance with their terms.

5. The distribution of the Preliminary Official Statement and the Official Statement has been duly authorized by the County.

6. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the County of its obligations under the County Documents and the Obligations have been obtained.

7. The Obligations are exempted securities under the Securities Act of 1933, as amended (the "1933 Act"), and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") and it is not necessary, in connection with the offering and sale of the Obligations, to register the Obligations under the 1933 Act or to qualify the Indenture under the Trust Indenture Act.

Respectfully submitted,

*Greenberg Traurig, LLP*

April 12, 2018

To: RBC Capital Markets, LLC, as Underwriter  
Phoenix, Arizona

We have acted as counsel to you (the “Underwriter”) in connection with your purchase from Pima County, Arizona (the “Issuer”) of its \$38,205,000 Pima County, Arizona Sewer System Revenue Obligations, Series 2018 (the “Obligations”) pursuant to a Purchase Contract, dated March 27, 2018 (the “Purchase Contract”), between you and the Issuer. This letter is provided pursuant to Section 7(i)(5) of the Purchase Contract in connection with your purchase of the Obligations. Capitalized terms not otherwise defined in this letter are used as defined in the Purchase Contract.

In our capacity as counsel to the Underwriter, we have reviewed: (a) the Official Statement, dated March 27, 2018, relating to the Obligations (the “Official Statement”); (b) the resolution adopted by the Board of Supervisors of the Issuer on December 19, 2017 (the “Authorizing Resolution”); (c) executed counterparts of: (i) the Purchase Contract, (ii) the Series 2018 Obligation Indenture, dated as of April 1, 2018 (the “Indenture”) between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee; and (iii) the Series 2018 Purchase Agreement, dated as of April 1, 2018, between The Bank of New York Mellon Trust Company, N.A., in its capacity as seller, and the Issuer, as purchaser, and (d) such other proceedings, documents, matters and law as we deem necessary to provide this letter in accordance with the terms of our engagement. In accordance with the terms of our engagement, we have not reviewed any minutes of the meetings of the Issuer’s governing board other than those relating to the adoption of the Authorizing Resolution.

In providing this letter we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, the parties thereto and (iii) the correctness of the legal conclusions contained in all legal opinion letters of other counsel delivered in connection with this matter.

Based upon the foregoing and subject to the limitations contained in this letter, we are of the opinion that, under existing law, the Obligations are exempt from registration under the Securities Act of 1933, as amended, and the Authorizing Resolution and the Indenture are exempt from qualification under the Trust Indenture Act of 1939, as amended.

47 Offices in 20 Countries

Squire Patton Boggs (US) LLP, known as Squire Sanders (US) LLP prior to a name change effective June 1, 2014, is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit [squirepattonboggs.com](http://squirepattonboggs.com) for more information.

In accordance with the terms of our engagement, we have provided certain legal advice and assistance to the Underwriter in connection with the Underwriter's responsibilities with respect to the Official Statement. We have not been engaged to pass upon, and we do not assume any responsibility for and have not independently verified, the accuracy, completeness or fairness of any of the statements contained in the Official Statement. As part of our engagement, however, certain of our lawyers participated in telephone conferences with your representatives, representatives of the Issuer, the Pima County Attorney's Office, as counsel to the Issuer, Greenberg Traurig, LLP, as Special Counsel, and others, during which telephone conferences the contents of the Official Statement and related matters were discussed. In reliance on those discussions and the proceedings, documents, matters and assumptions described above and subject to the qualifications set forth herein, we advise you that, during the course of our engagement on this matter, no facts came to the attention of the lawyers in our firm responsible for this matter that cause us to believe that the Official Statement (except for any information listed in the following sentence, as to which we express no view), as of its date and as of this date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. We express no view as to: (a) the information under the caption "TAX EXEMPTION," in the Official Statement; (b) the financial statements included or incorporated by reference in Appendix C thereto; (c) any other financial, technical, statistical or demographic data or forecasts included or incorporated by reference in the Official Statement or the Appendices thereto; and (d) any information about the book-entry system and The Depository Trust Company.

We also have rendered legal advice and assistance to you as to the requirements of Rule 15c2-12 prescribed under the Securities Exchange Act of 1934, as amended (the "Rule"), in connection with your review, for purposes of the Rule, of the Continuing Disclosure Undertaking, dated as of the date of this letter (the "Continuing Disclosure Agreement"). Based upon our examination of the items referenced in this letter, including the Continuing Disclosure Agreement and the Rule, and subject to the limitations expressed above, we are of the opinion that, under existing law, the Continuing Disclosure Agreement satisfies paragraph (b)(5)(i) of the Rule, which requires an undertaking for the benefit of the holders, including beneficial owners, of the Obligations to provide certain annual financial information and event notices at the time and in the manner required by the Rule.

Reference in this letter to "the lawyers in our firm responsible for this matter" includes only those lawyers now with this firm who rendered legal services in connection with this matter. This letter is delivered to you for your benefit in connection with the original issuance of the Obligations and may not be relied upon for any other purpose or by any other person, including the holders, owners or beneficial owners of the Obligations. The opinions and advice set forth in this letter are stated only as of this date, and no other opinion or statements shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement with respect to this matter has concluded on this date.

Respectfully submitted,

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



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

April 12, 2018

RBC Capital Markets, LLC  
Phoenix, Arizona

The Bank of New York Mellon Trust  
Company, N.A., as Trustee  
Houston, Texas

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. 2017-99 passed, adopted and approved by the Board of the County on December 19, 2017 (the "*Authorizing Resolution*"), the Continuing Disclosure Undertaking, dated the date hereof (the "*Continuing Disclosure Undertaking*"), the Series 2018 Obligation Indenture, dated as of April 1, 2018 (the "*Indenture*"), the Series 2018 Purchase Agreement, dated as of April 1, 2018 (the "*Purchase Agreement*"), the Purchase Contract, dated March 27, 2018 (the "*Purchase Contract*"), and the Official Statement, dated March 27, 2018 (the "*Official Statement*"), to be executed by authorized representatives of the County in connection with the sale, and the execution and delivery on the date hereof, of \$38,205,000 aggregate principal amount of the Sewer System Revenue Obligations, Series 2018, 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 2018 Purchase Agreement, Dated as of April 1, 2018 (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 Continuing Disclosure Undertaking, the Indenture, the Purchase Agreement, the Purchase Contract, the Official Statement 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.

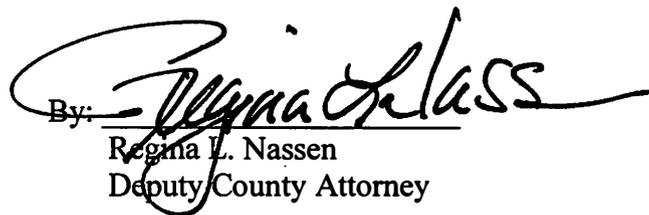
4. The Continuing Disclosure Undertaking, the Indenture and the Purchase Contract have been duly authorized and validly executed and delivered by the County, and constitute legal, valid and binding obligations of the County, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles generally affecting the enforcement of creditors' rights.

5. Except as disclosed in the Official Statement, 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 time 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, the County Documents (as such term is defined in the Purchase Contract), or contesting the exclusion from gross income of interest on the Obligations for federal income tax purposes or State income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement (as such term is defined in the Purchase Contract) or the Official Statement or any supplement or amendment thereto, 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 County Documents, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Obligations or the County Documents.

RBC Capital Markets, LLC  
The Bank of New York Mellon Trust  
Company, N.A., as Trustee  
Greenberg Traurig, LLP  
April 12, 2018  
Page 3

6. The adoption of the Authorizing Resolution and the execution and delivery of the County Documents and compliance by the County with the provisions thereof and of the Purchase Contract, 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.

PIMA COUNTY ATTORNEY

By:   
Regina L. Nassen  
Deputy County Attorney

\$38,205,000  
 SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2018,  
 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 2018 Purchase Agreement,  
 Dated as of April 1, 2018

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EXECUTION AND DELIVERY AND  
 SIGNATURE IDENTIFICATION  
 CERTIFICATE AND RECEIPT OF TRUSTEE

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The Bank of New York Mellon Trust Company, N.A. acts as (i) obligation trustee, registrar and paying agent (the “*Trustee*”) pursuant to the Series 2018 Obligation Indenture, dated as of April 1, 2018 (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 \$38,205,000 aggregate principal amount of the above-referenced Obligations (the “*Obligations*”), and (ii) as seller pursuant to the Series 2018 Purchase Agreement, dated as of April 1, 2018 (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 fully registered form maturing on July 1 of each of the years, in the amounts and bearing interest at the respective rates per annum as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2026	\$4,000,000	5.00%
2027	4,200,000	5.00
2028	4,410,000	5.00
2029	4,630,000	5.00
2030	4,865,000	5.00
2031	5,105,000	5.00

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2032	\$5,365,000	5.00%
2033	5,630,000	5.00

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 Trustee.

4. Each person or persons executing and delivering the Obligations is an authorized signatory of the Trustee, 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 Trustee. 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 purchasers 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, \$45,185,553.05 of proceeds of sale of the Obligations has been received on behalf of the County, of which (i) \$185,553.05 has been deposited into the Delivery Costs Fund established under the Indenture and (ii) \$45,000,000.00 has been deposited with the County for credit to the Improvements Fund (as such term is defined in the Indenture); and \$2,957,375.00 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: April 12, 2018.

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



Printed Name:.....**LETHA GLOVER**.....

Title:.....**Vice President**.....

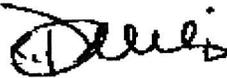
ATTACHMENT: Exhibit - Resolution or Certification

EXHIBIT

Resolution or Certification

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

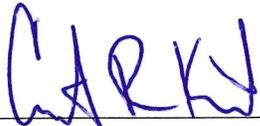
I, the undersigned, Curt R. Kreisel, Assistant Secretary of The Bank of New York Mellon Trust Company, N.A., a national banking association organized under the laws of the United States (the "Association") and located in the State of California, DO HEREBY CERTIFY that the following individuals are duly 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, N	
Deborah M. Scherer	Vice President	B1, H, J, N	
Jane Thang	Vice President	G, H, J, N	

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

Attached hereto are true and correct copies of excerpts of the By-laws of the Association 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 13<sup>th</sup> day of October 2017.

  
Curt R. Kreisel, Assistant Secretary

**Extracts from By-Laws**  
**of**  
**The Bank of New York Mellon Trust Company, National Association**  
**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.

\$38,205,000  
SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2018,  
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 2018 Purchase Agreement,  
Dated as of April 1, 2018

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CERTIFICATE RELATING TO FEDERAL TAX MATTERS

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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 \$38,205,000 Sewer System Revenue Obligations, Series 2018 (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 2018 Obligation Indenture (dated as of April 1, 2018 (the “*Indenture*”), by and between the County and the Trustee, each such Obligation evidencing an undivided proportionate interest of the owner thereof in Purchase Payments to be made by the County pursuant to the Series 2018 Purchase Agreement, dated as of April 1, 2018 (the “*Agreement*”), by and between the Trustee, in its role as seller of, and the County, as purchaser of, certain rights associated with the Projects defined herein, hereby certifies the following with respect to the Obligations. Capitalized terms not otherwise defined herein having the meanings given to them in the Indenture, the 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 and Greenberg Traurig, LLP (“*Special Counsel*”), in connection with rendering its opinion that interest on the Obligations is exempt from gross income under Section 103 of the Code. 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 Obligations are being executed and delivered to:

(a) pay or reimburse the costs of the improvements and extensions to the County's sewer system as further identified in Exhibit A hereto (collectively, the "*Projects*"); and

(b) 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 Trustee, acting as agent for the County, is executing and delivering the Obligations and will transfer certain of the hereinafter described Net Proceeds to the County for payment of costs of the Projects.

(b) The net proceeds received by the County from the sale of the Obligations will be \$45,185,553.05 (the "*Net Proceeds*"), representing \$38,205,000.00 face amount, plus original issue premium of \$7,209,783.05, minus underwriter's compensation of \$229,230.00. The Net Proceeds, plus \$2,957,375.00 of other legally available moneys of the County, will be applied as follows:

(i) \$45,000,000.00 of the Net Proceeds will be transferred by the Trustee to the County for deposit into a separate account, the Improvements Fund, established pursuant to the Agreement and used, along with earnings thereon, to pay the capital costs of the Projects, \$15,454,983.00 of which will be used to reimburse the County for payments by the County of certain costs detailed in Exhibit C hereto;

(ii) \$185,553.05 of the Net Proceeds will be deposited into the Delivery Costs Fund and used, along with any earnings thereon, to pay the Costs of Issuance. Any amounts deposited into the Delivery Costs Fund not used to pay the Costs of Issuance by June 1, 2018, will be transferred to the Improvements Fund to pay costs of the Projects.

(iii) \$2,957,375.00 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.

(c) The Net Proceeds, and any earnings thereon, do not exceed the amount necessary to accomplish the governmental purpose of the Obligations.

3. Payment of the Obligations.

(a) The Obligations represent undivided, proportionate interests in Purchase Payments to be paid under the Agreement. The Purchase Payments are secured by Pledged Revenues from the County sewer system.

(b) Payments made under the Agreement will be deposited into a separate fund, the Obligation Fund and applied to:

(i) the Interest Account for the Obligations to pay interest on the Obligations on the next interest payment date;

(ii) the Principal Account for the Obligations for redemption or payment of principal with respect to the Obligations;

(iii) the Debt Service Reserve Account for the Obligations if the amount on deposit therein plus the maximum amount of a Qualified Reserve Fund Instrument, if any, is less than the Reserve Requirement for the Obligations.

(c) Amounts 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.

(d) 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.

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 issue price of the Obligations) has been calculated by RBC Capital Markets, LLC, the underwriter of the Obligations (the "*Underwriter*"), to be 2.8032 percent (the "*Yield*"). For this purpose, issue price is the aggregate of the issue prices for each maturity of the Obligations, determined under Treasury Regulations section 1.148-1(b) and (f)(2)(i) (the General Rule). The aggregate issue price of the Obligations is \$45,414,783.05 (representing \$38,205,000.00 face amount, plus original issue premium of \$7,209,783.05), as certified to by the Underwriter in Exhibit B. In

computing the Yield, the Underwriter has treated the July 1, 2029, through and including July 1, 2033, maturities of the Obligations as redeemed on July 1, 2028, which is the date that produced the lowest Yield on each of the respective Obligations because each of those maturities is subject to optional redemption and each is issued at an issue price that exceeds its respective stated redemption price at maturity by more than one-fourth of one percent multiplied by the product of its respective stated redemption price at maturity and the number of complete years to its first optional redemption date. See Exhibit B hereto with respect to the “issue price” of the Obligations and with respect to the Yield.

5. Temporary Periods; Weighted Average Maturity; No Hedge; Reimbursement.

(a) *Temporary Periods.*

(i) *Improvements Fund.* The County has entered into binding commitments with respect to the acquisition of the Projects under which it will spend at least 5 percent of the Net Proceeds of the Obligations within six months of the date hereof on capital costs of the Projects. 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 April 12, 2021. Work with respect to the acquisition and construction of the Projects will proceed with due diligence to completion in no event later than April 12, 2021, 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 through the deposit of other legally available moneys of the County as described above. The Reserve Requirement is \$2,957,375.00, which the County reasonably expects will not exceed an amount equal to the least of, (i) the maximum amount of principal of and interest on the Obligations becoming due in the current or any succeeding Fiscal Year, (ii) one hundred twenty-five percent of the average annual amount of principal of and interest on the Obligations, and (iii) ten percent of the principal amount of the Obligations or the issue price of the Obligations, if the Obligations have more than 2 percent original issue discount or premium (the “Reserve Requirement”). As set forth in the Certificate of Underwriter attached hereto as Exhibit B, the funding of the Debt Service Reserve Account in the amount of the Reserve Requirement is reasonably required to permit marketing of the Obligations. Amounts in the Debt Service Reserve Account may be invested at an unrestricted yield; however, such amounts are subject to the rebate requirements, as described below.

(b) *Weighted Average Maturity.* The Underwriter has computed the weighted average maturity of the Obligations to be 11.9698 years, which does not exceed 120 percent of the weighted average reasonably expected economic life of the Projects.

(c) *No Hedge Bonds.* On the Issuance Date, the County reasonably expects to spend at least 85% of the spendable proceeds of the Obligations for the governmental purpose of the Obligations within three years of the date hereof, and not more than 50 percent of the proceeds of the Obligations will be invested in Nonpurpose investments having a substantially guaranteed yield for four years or more.

(d) *Reimbursement.*

(i) The County has incurred capital costs with respect to the Projects prior to the execution and delivery of the Obligations. The County shall reimburse such expenditures with proceeds of the Obligations to the extent that such costs were incurred in accordance with the resolution adopted by the County Board of Supervisors on November 16, 2017, expressing its intent to reimburse nonpreliminary expenditures which were capital expenditures (the “*Reimbursed Expenditures*”) from proceeds of the Obligations (such resolution being referred to herein as the “*Reimbursement Resolution*”). At the time the Reimbursement Resolution was adopted, the County reasonably expected to reimburse any Reimbursed Expenditures with the proceeds of a future borrowing. The Reimbursement Resolution is attached hereto as Exhibit C. With respect to expenditures paid within the 60-day period ending on the Issuance Date for which no declaration of intent was previously made, the County hereby declares its intent to reimburse such expenditures. All expenditures to be reimbursed and the amount to be reimbursed are also set forth in Exhibit C, and as of the date hereof, the County hereby allocates Net Proceeds to reimburse such Reimbursed Expenditures. All Reimbursed Expenditures are capital expenditures or Costs of Issuance.

(ii) 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.

(iii) The restrictions in (ii) above do not apply to preliminary expenditures that do not exceed 20 percent of the Sale Proceeds used for the Projects, Costs of Issuance, or an amount not in excess of the lesser of \$100,000 or five percent of the Net Proceeds. Preliminary expenditures, 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.

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 Trustee 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 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 spend down exceptions (generally described below) to arbitrage rebate. The County understands, however, that whether the Obligations qualify for a spending 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 a spending exception is 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.* Obligations generally will meet the spend-down requirements for the Eighteen Month Exception if the gross proceeds of the obligations are allocated to expenditures for the financed project 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 issuance 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 financed project.

(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 construction expenditures (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 a governmental entity.

(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 obligations 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.

(C) Any failure to meet the final spending requirements in the Eighteen-Month or Two-Year Construction Exceptions will be disregarded if the issuer exercises due diligence to complete the financed project, 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 County, this amount will be \$250,000.

(D) 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.* The County shall comply with the arbitrage rebate covenants set forth in Section 2.4 of the Agreement relating to arbitrage.

7. No Private Activity Bond.

(a) *Private Use and Private Payment and Security Test.* The County hereby covenants that the Obligations will not violate for the entire term of the Obligations, the private business tests (collectively, the "*Private Business Test*") of Section 141(b) of the Code. The Private Business Test under Section 141(b) of the Code is met if: (i) more than 10 percent of the Proceeds of the Obligations is to be used for any private business use (the "*Private Use Test*"); and (ii) the payment of principal of or interest on more than ten percent of the Proceeds of the Obligations is (under the terms of such issue or any underlying arrangement) directly or indirectly (1) secured by any interest in property used or to be used for a private business use, or payments in respect of such property, or (2) to be derived from payments (whether or not to the issuer) in respect of property, or borrowed money, used or to be used for a private business use. All private use and private payments with respect to the Projects must be aggregated in determining whether the Private Business Test has been met.

(b) *Unrelated or Disproportionate Private Use.* Directly or indirectly, no Obligation 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 Obligation proceeds to be so used will not exceed 5 percent of the Obligation proceeds.

(c) *No Output Facilities.* None of the proceeds of the Obligations will be used (directly or indirectly) to finance or refinance the acquisition of any "nongovernmental output property" as defined in Section 141(d) of the Code. To the extent the Projects are an "output facility" within the meaning of Section 141(b)(4) of the Code, use of the Projects will be such that it will not result in the inclusion in gross income of interest on the Obligations for federal income tax purposes. An "output facility" for purposes of this paragraph generally means electric and gas generation, transmission, distribution and related facilities, and water collection, storage and distribution facilities.

(d) *No Private Loan Financing.* (i) The amount of Obligation 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 Obligation 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.

(e) *Ownership.* The County or another governmental entity is the owner of all portions of the Projects for federal income tax purposes, and the County or another governmental entity will continue to be the owner of all portions of the Projects for federal income tax purposes during the period that the Obligations are outstanding.

(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 Revenue Procedure 2017-13, or such other guidance as may apply. The County will consult with Special Counsel as necessary to insure compliance with this Section 7(f).

(g) *Use of Proceeds Binding so Long as Obligations Outstanding.*

(i) The Obligation proceeds shall be used solely to finance the costs set forth above 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 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.

(ii) It is reasonably expected on the Issuance Date that the County will comply with the certifications of this Section and no action within its control prior to the final maturity and payment of the Obligations to cause such certifications to be violated will be taken.

(h) *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.

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. On March 28, 2018, the County executed a Bond Purchase Agreement with respect to the issuance of \$11,000,000 aggregate principal amount of Street and Highway Revenue Bonds, Series 2018. On April 4, 2018, the County executed a Certificate Purchase Contract with respect to the execution and delivery of \$23,265,000 aggregate principal amount of Certificates of Participation, Series 2018A and \$39,395,000 aggregate principal amount of Certificates of Participation, Taxable Series 2018B. Such issues are not payable from the Pledged Revenues and therefore will not be treated as a single issue with the Obligations.

(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: April 12, 2018

A handwritten signature in black ink, appearing to read "Keith Dommer", written over a horizontal dotted line.

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:

Project	Project Name
CWW.3AI195	Arizona Department of Transportation - W Ajo Way & I-19 Sewer Modifications
CWW.3ASC15	Old Nogales Intersection Augmentation - New Aerospace Corridor Sewer
CWW.3ASP14	State Prison Pump Station Rehabilitation
CWW.3AVB16	New Influent Emergency Overflow Basin - Avra Valley Wastewater Reclamation Facility
CWW.3AVS18	Avra Valley Wastewater Reclamation Facility & Automation Improvements FY 17/18
CWW.3B8419	Tres Rios Wastewater Reclamation Facility, Building 24
CWW.3BBUMP	Tres Rios Wastewater Reclamation Facility Nutrient Recovery Project
CWW.3CDTA0	Coronda de Tucson Wastewater Reclamation Facility - Air Distribution System Upgrade
CWW.3CRP01	System-Wide Conveyance Rehabilitation Program
CWW.3CRS05	Continental Ranch Pump Station Facility Modifications
CWW.3DTL2A	City of Tucson Department of Transportation Downtown Links Phase 2&3
CWW.3ELF19	Tres Rios Wastewater Reclamation Facility, Building 9, Expand Laboratory Floor Space
CWW.3EOC14	SCADA Emergency Operations Center
CWW.3FGS17	Pima County Fairgrounds Wastewater Reclamation Facility Connection to Existing Conveyance System
CWW.3GAS18	Tres Rios Wastewater Reclamation Facility Biogas Cleaning & Utilization Project
CWW.3GOS01	City of Tucson Department of Transportation Grant Rd Corridor Improvement Sewer Utility
CWW.3GRS18	Green Valley Wastewater Reclamation Facility - Grit Removal System Replacement & Up
CWW.3GVCC0	Green Valley Wastewater Reclamation Facility - Disk Filter Cover & Crane
CWW.3GVE14	Green Valley Wastewater Reclamation Facility - Future Development Plan FY13/14
CWW.3HBI06	Houghton Rd Broadway Blvd Intersection Improve COTDOT
CWW.3HOC18	Wastewater Reclamation Facility Headworks Odor Control Improvements
CWW.3ICB15	Two Additional Centrifuge Sludge Screens - Tres Rios Wastewater Reclamation Facility
CWW.3II105	Arizona Department of Transportation - Ina Rd & I-10 Sewer Modifications
CWW.3MMP18	Sewer Utility Minor Modification Projects 2017/18
CWW.3MR818	Sewer Manhole Rehabilitation # 8
CWW.3MRP17	Minor Rehabilitation Projects FY 16/17
CWW.3MRP18	Minor Rehabilitation Projects FY 17/18
CWW.3NRI14	North Rillito Interceptor Rehabilitation
CWW.3NRI20	North Rillito Interceptor Rehabilitation-Campbell to 1s
CWW.3NWO19	Northwest Outfall Siphon at the Santa Cruz River Rehab
CWW.3OPR19	Prince Rd Sewer Replacement - Oracle Rd West
CWW.3PPS13	Principal Pump Station
CWW.3RI105	Arizona Department of Transportation W Ruthrauff Rd & Interstate 10 Sewer Modifications
CWW.3RRP15	Roger Rd Treatment Plant Entry Post-Closure Implement
CWW.3SAC15	Speedway Blvd Area Capacity Augmentation Alignment Study
CWW.3SCP06	Sabino Creek Pump Station
CWW.3SEI13	South East Interceptor Augmentation
CWW.3SHT16	Tres Rios Sludge Holding Tank
CWW.3SIR14	Ina Rd Existing Plant SCADA Upgrades
CWW.3SNI13	SCADA WAN Infrastructure Upgrade

CWW.3SPS15	Silverado Pump Station Rehabilitation
CWW.3SR863	Arizona Department of Transportation SR86 Valencia Rd to Kinney Rd
CWW.3SWT70	System Wide Treatment Rehabilitation & Enhancement
CWW.3TFM13	Tangerine Rd Force Main Relocation
CWW.3TPBBS	Twin Peaks - Blue Bonnet Road Gravity Sewer
CWW.3TRP18	System-wide Rehabilitation Program
CWW.3TTT01	City of Tucson Department of Transportation 22nd St I-10 to Tucson Blvd Sewer Utility
CWW.3VFS23	Tres Rios Wastewater Reclamation Facility - Headworks Fine Screen Replacement

## EXHIBIT B

### CERTIFICATE OF UNDERWRITER

This Certificate is furnished by RBC Capital Markets, LLC (“RBC”), the underwriter of the \$38,205,000 aggregate principal amount of the Pima County, Arizona (the “*Issuer*”) Sewer System Revenue Obligations, Series 2018 (the “*Obligations*”) to allow Greenberg Traurig, LLP, as “Special Counsel,” and the Issuer to establish the “issue price,” “yield” and “weighted average maturity” of the Obligations within the meaning of the Internal Revenue Code of 1986, as amended (the “*Code*”). Unless otherwise defined herein, capitalized terms used in this Certificate have the meanings given to them in the Certificate Relating To Federal Tax Matters for the Obligations (the “*Tax Certificate*”) to which this Certificate is attached as Exhibit B.

1. Obligation Purchase Agreement. On March 27, 2018 (the “*Sale Date*”), RBC and the Issuer executed an Obligation Purchase Agreement (the “*Purchase Agreement*”) in connection with the sale of the Obligations. RBC has not modified the Purchase Agreement since its execution on the Sale Date.

2. Issue Price. As of the date of this Certificate, for each Maturity of the Obligations, the first price at which a Substantial Amount of such Maturity of the Obligations was sold to the Public is the respective price listed in the Schedule hereto. The sum of the prices listed is equal to \$45,414,783.05, which is equal to the aggregate principal amount of the Obligations, plus original issue premium of \$7,209,783.05.

3. Defined Terms.

(a) *Maturity* means Obligations with the same credit and payment terms. Obligations with different maturity dates, or Obligations with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Obligations. The Sale Date of the Obligations is March 27, 2018.

(d) *Substantial Amount* means ten percent (10%).

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Obligations to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this

paragraph to participate in the initial sale of the Obligations to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Obligations to the Public).

4. Yield. We have calculated the Yield to be 2.8032 percent in accordance with the instructions provided by Special Counsel set forth in Section 4 of the Tax Certificate. \$45,414,783.05 has been the issue price used to calculate the Yield (\$38,205,000.00 face amount of the Obligations, plus original issue premium of \$7,209,783.05). In calculating the Yield, the Obligations maturing on July 1, 2029, through and including July 1, 2033, were treated as redeemed on July 1, 2028, the date that produced the lowest Yield on each such Obligation, because the issue price of each such Obligation exceeds the stated redemption price at the stated maturity date of each such Obligation by more than one-fourth of one percent multiplied by the product of the stated redemption price at the stated maturity date and the number of complete years to its first optional redemption date.

5. Weighted Average Maturity. We have calculated the weighted average maturity of the Obligations to be 11.9698 years upon the advice of Special Counsel.

6. Debt Service Reserve Account. The funding of the Debt Service Reserve Account in an amount equal to the Reserve Requirement is reasonably necessary to permit marketing of the Obligations.

To the extent that we provided the Issuer and Special Counsel with certain computations that show a yield, issue price, weighted average maturity and certain other information with respect to the Obligations, 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.

Provided that nothing herein represents our interpretation of any laws, and in particular, regulations under section 148 of the Internal Revenue Code, the Issuer may rely on this Certificate in making its covenants and certifications with respect to the Obligations. Special Counsel may rely on this Certificate in rendering its opinion on the exclusion from federal gross income of interest on the Obligations.

RBC has performed these calculations 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, in doing so RBC (i) is not acting as a municipal advisor (as defined in Section 15B of the Securities Exchange Act), (ii) does not have a fiduciary duty to the Issuer, and (iii) is not to be construed as a “paid preparer” of any tax returns of the Issuer, including specifically (but not limited to) Form 8038-G.

[Signature page follows.]

Dated: April 12, 2018

RBC CAPITAL MARKETS, LLC

By  .....

Kurt Freund, Managing Director

SCHEDULE

ACTUAL SALES INFORMATION AS OF CLOSING DATE

Maturity Date (July 1)	Par Value	Initial Offering Price	Total for Maturity
2026	\$4,000,000	118.141%	\$4,725,640.00
2027	4,200,000	119.016	4,998,672.00
2028	4,410,000	120.417	5,310,389.70
2029	4,630,000	119.332*	5,525,071.60
2030	4,865,000	119.136*	5,795,966.40
2031	5,105,000	118.648*	6,056,980.40
2032	5,365,000	118.453*	6,355,003.45
2033	5,630,000	118.065*	6,647,059.50
<b>TOTAL</b>	<b><u>\$38,205,000</u></b>		<b><u>\$45,414,783.05</u></b>

\* Priced to first optional redemption date, July 1, 2028.

## EXHIBIT C

### REIMBURSED EXPENDITURES AND DECLARATION OF OFFICIAL INTENT

Project	Project Name	Amount
CWW.3AI195	Arizona Department of Transportation - W Ajo Way & I-19 Sewer Modifications	\$ 338,158.00
CWW.3ASC15	Old Nogales Intersection Augmentation - New Aerospace Corridor Sewer	614,340.00
CWW.3ASP14	State Prison Pump Station Rehabilitation	4,622.00
CWW.3AVB16	New Influent Emergency Overflow Basin - Avra Valley Wastewater Reclamation Facility	5,936.00
CWW.3BBUMP	Tres Rios Wastewater Reclamation Facility Nutrient Recovery Project	3,347.00
CWW.3CRS05	Continental Ranch Pump Station Facility Modifications	3,334,490.00
CWW.3FGS17	Pima County Fairgrounds Wastewater Reclamation Facility Connection to Existing Conveyance System	1,315.00
CWW.3GAS18	Tres Rios Wastewater Reclamation Facility Biogas Cleaning & Utilization Project	105,111.00
CWW.3GRS18	Green Valley Wastewater Reclamation Facility - Grit Removal System Replacement & Up	21,730.00
CWW.3GVCC0	Green Valley Wastewater Reclamation Facility - Disk Filter Cover & Crane	138,097.00
CWW.3GVE14	Green Valley Wastewater Reclamation Facility - Future Development Plan FY13/14	16,518.00
CWW.3HOC18	Wastewater Reclamation Facility Headworks Odor Control Improvements	71,695.00
CWW.3ICB15	Two Additional Centrifuge Sludge Screens - Tres Rios Wastewater Reclamation Facility	241,263.00
CWW.3II105	Arizona Department of Transportation - Ina Rd & I-10 Sewer Modifications	23,885.00
CWW.3MR818	Sewer Manhole Rehabilitation # 8	61,803.00
CWW.3MRP18	Minor Rehabilitation Projects FY 17/18	5,379,588.00
CWW.3NRI14	North Rillito Interceptor Rehabilitation	187,100.00
CWW.3OPR19	Prince Rd Sewer Replacement - Oracle Rd West	37,553.00
CWW.3RI105	Arizona Department of Transportation W Ruthrauff Rd & Interstate 10 Sewer Modifications	1,680.00
CWW.3RRP15	Roger Rd Treatment Plant Entry Post-Closure Implement	144,868.00
CWW.3SAC15	Speedway Blvd Area Capacity Augmentation Alignment Study	44,067.00
CWW.3SCP06	Sabino Creek Pump Station	12,000.00
CWW.3SEI13	South East Interceptor Augmentation	3,157,878.00
CWW.3SHT16	Tres Rios Sludge Holding Tank	176,677.00
CWW.3SIR14	Ina Rd Existing Plant SCADA Upgrades	1,551.00
CWW.3SNI13	SCADA WAN Infrastructure Upgrade	189,299.00
CWW.3SR863	Arizona Department of Transportation SR86 Valencia Rd to Kinney Rd	19,357.00
CWW.3TFM13	Tangerine Rd Force Main Relocation	152.00
CWW.3TPBBS	Twin Peaks - Blue Bonnet Road Gravity Sewer	30,842.00
CWW.3TRP18	System-wide Rehabilitation Program	1,085,454.00
CWW.3VFS23	Tres Rios Wastewater Reclamation Facility - Headworks Fine Screen Replacement	4,607.00
<b>TOTAL</b>		<b>\$15,454,983.00</b>

**DECLARATION OF OFFICIAL INTENT  
TO REIMBURSE  
ORIGINAL EXPENDITURE  
FROM PROCEEDS OF FUTURE DEBT ISSUANCES  
Sewer Revenue Obligations  
November 2, 2017**

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 \$45,000,000 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 16 day of NOVEMBER, 2017.

PIMA COUNTY, ARIZONA

By:   
Keith Dommer  
Board Representative

Project	Project Name	DOI Amount
CWW.3A1195	WW - ADOT - W Ajo Way & I-19 Sewer Modifications	659,959.00
CWW.3ASC15	WW - Old Nogales Interc. Aug - New Aerospace Corr Sewer	4,046,739.00
CWW.3ASP14	WW - State Prison Pump Station Rehabilitation FY13/14	790,677.00
CWW.3AVB16	WW - New Influent Emergency Overflow Basin - Avra Valley WRF	757,671.00
CWW.3AVS18	WW - Avra Valley WRF SCADA & Automation Impr FY 17/18	32,404.00
CWW.3B8419	WW - Tres Rios WRF - Bldg 84, Install 13.8 KV Emer. Gen Conn	60,000.00
CWW.3BBUMP	WW - Tres Rios WRF Nutrient Recovery Project	3,923,184.00
CWW.3CDTA0	WW - Coronda de Tucson WRF - Air Distribution System Upgrade	200,000.00
CWW.3CRP01	WW - System-Wide Conveyance Rehabilitation Program	820,000.00
CWW.3CRS05	WW - CRRPS Facility Modifications	4,467,870.00
CWW.3DTL2A	WW - City of Tucson DOT Downtown Links Phase 2&3	237,324.00
CWW.3ELF19	WW - Tres Rios WRF - Bldg 9, Expand Laboratory Floor Space	180,000.00
CWW.3EOC14	WW - SCADA Emergency Operations Center	630,000.00
CWW.3FGS17	WW - PC Fairgrounds WRF Connection to Existing Conveyance Sy	344,072.00
CWW.3GAS18	WW - TRWRF BioGas Cleaning & Utilization Project	1,000,000.00
CWW.3GOS01	WW - COTDOT Grant Rd Corridor Improvement Sewer Utility	186,000.00
CWW.3GRS18	WW - Green Valley WRF - Grit Removal System Replacement & Up	297,143.00
CWW.3GVCC0	WW - Green Valley WRF - Disk Filte Cover & Crane	258,123.00
CWW.3GVE14	WW - Green Valley WRF - Future Development Plan FY13/14	448,006.00
CWW.3HBI06	WW - Houghton Rd Broadway Blvd Intersection Improve COTDOT	154,000.00
CWW.3HOC18	WW - WRF Headworks Odor Control Improvements	373,555.00
CWW.3ICB15	WW - Two Additonal Centrifuge Sludge Screens - Tres Rios WRF	475,735.00
CWW.3II105	WW - ADOT - Ina Rd & I-10 Sewer Modifications	213,829.00
CWW.3MMP18	WW - Sewer Utility Minor Modification Projects 2017/18	100,000.00
CWW.3MR818	WW - Sewer Manhole Rehabilitation # 8	1,586,063.00
CWW.3MRP17	WW - Minor Rehabilitation Projects FY 16/17	144,680.00
CWW.3MRP18	WW - Minor Rehabilitation Projects FY 17/18	8,967,606.00
CWW.3NRI14	WW - North Rillito Interceptor Rehabilitation	340,564.00
CWW.3NRI20	WW - North Rillito Interceptor Rehabilitation-Campbell to 1s	283,000.00
CWW.3NWO19	WW - Northwest Outfall Siphon at the Santa Cruz River Rehabi	537,347.00
CWW.3OPR19	WW - Prince Rd Sewer Replacement - Oracle Rd West	784,041.00
CWW.3PPS13	WW - Principal Pump Station	514,887.00
CWW.3RI105	WW - ADOT W Ruthrauff Rd & Interstate 10 Sewer Modifications	1,096,874.00
CWW.3RRP15	WW - Roger Rd Treatment Plant Entry Post-Closure Implement	169,557.00
CWW.3SAC15	WW - Speedway Bld Area Capacity Augmentation Alignment Study	714,490.00
CWW.3SCP06	WW - Sabino Creek Pump Station	32,999.00
CWW.3SEI13	WW - SE Interceptor Augmentation	4,817,834.00
CWW.3SHT16	WW - Tres Rios Sludge Holding Tank	2,387,621.00
CWW.3SIR14	WW - Ina Rd Existing Plant SCADA Upgrades	539,132.00
CWW.3SNI13	WW - SCADA WAN Infrastructure Upgrade	628,978.00
CWW.3SPS15	WW - Silverado Pump Station Rehabilitation	514,000.00
CWW.3SR863	WW - ADOT SR86 Valencia Rd to Kinney Rd	209,194.00
CWW.3SWT70	WW - System Wide Treatment Rehabilitation & Enhancement	1,000.00
CWW.3TFM13	WW - Tangerine Rd Force Main Relocation	155,739.00
CWW.3TPBBS	WW - Twin Peaks - Blue Bonnet Road Gravity Sewer	439,504.00
CWW.3TRP18	WW - System-wide Rehabilitation Program (Replaces 3TRI16)	1,972,161.00
CWW.3TTT01	WW - COTDOT 22nd St I-10 to Tucson Blvd Sewer Utility	15,000.00
CWW.3VFS23	WW - Tres Rios WRF - Headworks Fine Screen Replacement	427,769.00
Grand Total		47,936,331.00

EXHIBIT D  
TAX COMPLIANCE PROCEDURES

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

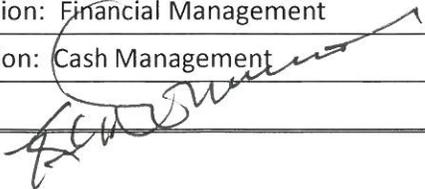


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Internal Operating Procedures	Responsible Division: Financial Management Responsible Section: Cash Management
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**Statement:** The policies and procedures provided herein shall be followed in order 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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	Internal Operating Procedures
Responsible Division: Financial Management Responsible Section: Cash Management	
Subject: Post Issuance Compliance for Debt Issues	

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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Internal Operating Procedures	Responsible Division: Financial Management
	Responsible Section: Cash Management
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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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Internal Operating Procedures	Responsible Division: Financial Management Responsible Section: Cash Management
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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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Internal Operating Procedures	Responsible Division: Financial Management Responsible Section: Cash Management
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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.

	Effective Date: 11/30/11 Review Date: Revision Date: 01/31/17 Page: 10 of 14
Internal Operating Procedures	Responsible Division: Financial Management Responsible Section: Cash Management
Subject: Post Issuance Compliance for Debt Issues	

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.).

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

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

	Effective Date: 11/30/11 Review Date: Revision Date: 01/31/17 Page: 12 of 14
Internal Operating Procedures	Responsible Division: Financial Management Responsible Section: Cash Management
Subject: Post Issuance Compliance for Debt Issues	

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

	Effective Date: 11/30/11 Review Date: Revision Date: 01/31/17 Page: 13 of 14
	Internal Operating Procedures
Responsible Division: Financial Management Responsible Section: Cash Management	
Subject: Post Issuance Compliance for Debt Issues	

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

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

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.

\$38,205,000  
SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2018,  
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 2018 Purchase Agreement,  
Dated as of April 1, 2018

AFFIDAVIT OF MAILING OF IRS FORM 8038-G

STATE OF ARIZONA        )  
  ) ss.  
COUNTY OF MARICOPA    )

Sandra K. Weeks, being first duly sworn, upon her oath deposes and says:

1. That on May 1, 2018, she 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.

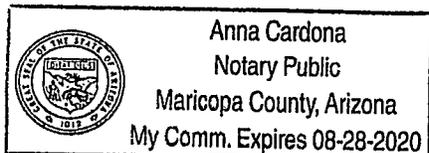
*Sandra K Weeks*  
.....

SUBSCRIBED AND SWORN TO before me this 1<sup>st</sup> day of May, 2018.

*Anna Cardona*  
.....  
Notary Public

My Commission Expires:

*8/28/2020*  
.....



**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.

<b>Part I Reporting Authority</b>		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name <b>Pima County, Arizona</b>		2 Issuer's employer identification number (EIN) <b>86   6000543</b>	
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) <b>130 West Congress, 6th Floor</b>		Room/suite	4 Report number (For IRS Use Only) <b>3</b>
6 City, town, or post office, state, and ZIP code <b>Tucson, Arizona 85701</b>		7 Date of issue <b>04/12/2018</b>	
8 Name of issue <b>Sewer System Revenue Obligations, Series 2018</b>		9 CUSIP number <b>721876 TT7</b>	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) <b>Mr. Keith Dommer, Finance and Risk Management Director</b>		10b Telephone number of officer or other employee shown on 19a <b>(520) 724-8496</b>	

<b>Part II Type of Issue (enter the issue price)</b> 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	<b>\$ 45,414,783 05</b>
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"/>		

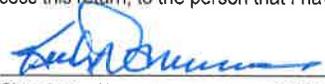
<b>Part III Description of Obligations.</b> Complete for the entire issue for which this form is being filed.				
(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
<b>21 07/01/2033</b>	<b>\$ 45,414,783.05</b>	<b>\$ 38,205,000.00</b>	<b>11.9698 years</b>	<b>2.8032%</b>

<b>Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)</b>				
22 Proceeds used for accrued interest	22	\$	0	
23 Issue price of entire issue (enter amount from line 21, column (b))	23		<b>45,414,783</b>	<b>05</b>
24 Proceeds used for bond issuance costs (including underwriters' discount)	24		<b>414,783</b>	<b>05</b>
25 Proceeds used for credit enhancement	25		<b>0</b>	<b>00</b>
26 Proceeds allocated to reasonably required reserve or replacement fund.	26		<b>0</b>	<b>00</b>
27 Proceeds used to currently refund prior issues	27		<b>0</b>	<b>00</b>
28 Proceeds used to advance refund prior issues.	28		<b>0</b>	<b>00</b>
29 Total (add lines 24 through 28).	29		<b>414,783</b>	<b>05</b>
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	\$	<b>45,000,000</b>	<b>00</b>

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

**Part VI Miscellaneous**

<b>35</b> Enter the amount of the state volume cap allocated to the issue under section 141(b)(5).	<b>35</b>	<b>0</b>	<b>00</b>
<b>36a</b> Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	<b>36a</b>	<b>0</b>	<b>00</b>
<b>b</b> Enter the final maturity date of the GIC	N/A		
<b>c</b> Enter the name of the GIC provider	N/A		
<b>37</b> Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	<b>37</b>	<b>0</b>	<b>00</b>
<b>38a</b> 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>b</b> Enter the date of the master pool obligation			
<b>c</b> Enter the EIN of the issuer of the master pool obligation			
<b>d</b> Enter the name of the issuer of the master pool obligation			
<b>39</b> If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input type="checkbox"/>			
<b>40</b> If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>			
<b>41a</b> If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
<b>b</b> Name of hedge provider			
<b>c</b> Type of hedge			
<b>d</b> Term of hedge			
<b>42</b> If the issuer has superintegrated the hedge, check box <input type="checkbox"/>			
<b>43</b> 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"/>			
<b>44</b> If the issuer has established written procedures to monitor the requirements of section 148, check box <input checked="" type="checkbox"/>			
<b>45a</b> If some portion of the proceeds was used to reimburse expenditures, check here <input checked="" type="checkbox"/> and enter the amount of reimbursement	\$15,454,983.00		
<b>b</b> Enter the date the official intent was adopted	11/16/2017		

<b>Signature and Consent</b>	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.			
		<b>04/12/2018</b>	<b>Keith Dommer, Finance and Risk Management Director</b>	
<b>Paid Preparer's Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	<b>Rebecca Harrigal</b>		<b>4/30/2018</b>	<b>P02041167</b>
	Firm's name	Firm's EIN		
	<b>Greenberg Traurig, LLP</b>	<b>13-3613083</b>		
Firm's address	Phone no.			
<b>2001 Market Street, #2700, Philadelphia, PA 19103</b>	<b>(215) 988-7836</b>			



## **Weeks, Sandra K. (Secy-Phx-BD)**

---

**From:** Weeks, Sandra K. (Secy-Phx-BD)  
**Sent:** Tuesday, May 1, 2018 5:05 PM  
**To:** 'openbooks@azdoa.gov'  
**Subject:** Pima County, Arizona Sewer System Revenue Obligations, Series 2018  
**Attachments:** Item 21 Report to Arizona Department of Administration and Evidence of Emailing.pdf; Item 10 Official Statement.pdf

Please find attached documents for the above-referenced matter.

Thank you.

**Sandra K. Weeks**

Secretary to Michael Cafiso and Paul M. Gales

Greenberg Traurig, LLP  
2375 E. Camelback Rd. Suite 700 | Phoenix, AZ 85016  
T 602.445.8254 | F 602.445.8727  
[weekss@gtlaw.com](mailto:weekss@gtlaw.com) | [www.gtlaw.com](http://www.gtlaw.com)



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

This information is due to the Arizona State Department of Administration  
within 60 days of the issue.

1. Jurisdiction: Pima County, Arizona	
2. Issue name / title: Sewer System Revenue Obligations, Series 2018	
3. Dated Date: April 12, 2018    Closing Date: April 12, 2018	<i>If multipurpose and is subject to more than one debt limit, please designate appropriate portion</i> 4. Par amount: \$
5. Overall interest rate (TIC OR NIC): 3.1469% (TIC) 3.4742% (NIC)	6. Type of Bond or Security: Sewer system designated revenues
7. Repayment sources: <u>Installment purchase payments to be made by Pima County pursuant to the Series 2018 Purchase Agreement, dated April 1, 2018, from sewer system designated revenues</u>	
8. Total amount outstanding: \$ 576,238,518	9. Total amount outstanding of senior or subordinate bonds: \$ 24,603,518 (senior)
10. Original issue price: Attach Schedule 1 a. Par Amount (Principal Amount) \$ 38,205,000.00	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> <b>For General Obligation Bonds:</b> a. Secondary net assessed value: \$ N/A b. Debt limit percentage: N/A c. Total debt limit: \$ N/A 12. Available debt limit: \$ N/A 13. Total amount authorized: \$ N/A 15. If voter authorized, Election dates: N/A
b. Original Issue Discount (-) \$ 0.00	
c. Premium Amount (+) \$ 7,209,783.05	
d. Original Issue Price (=) \$ 45,414,783.05	
e. Underwriter Compensation (Discount) (-) \$ 229,230.00	
f. Net Proceeds (=) \$ 45,185,553.05	
14. Remaining authorized amount: \$ 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

April 12, 2018  
.....  
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.  
601 Travis Street, 17th Floor  
Houston, Texas 77002  
( 713 ) 483-6561

Pima County Finance Department  
6th Floor  
130 West Congress Street  
Tucson, Arizona 85701  
( 520 ) 724-8496

Email this form with attachments within 60 days of issuance to:

OpenBooks@AZdoa.gov



**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 2018

Date Closed: April 12, 2018

(A) Underwriter's compensation -	\$	229,230.00
(B) Bond Counsel fees -	\$	68,622.17
(C) Financial advisor fees -	\$	
(D) Verification agent fees -	\$	
(E) Placement agent fees -	\$	
(F) Investment securities brokerage fees -	\$	
(G) Registrar fees -	\$	
(H) Trustee fees -	\$	1,930.00
(I) Credit enhancement fees -	\$	
(J) Rating agency fees -	\$	45,200.00
(K) OS printing/preparation costs -	\$	25,000.00
(L) Registration fees -	\$	
(M) Transfer and recording fees -	\$	
(N) Other – Underwriter's Counsel -	\$	35,000.00
Miscellaneous -	\$	9,800.88

**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 2018

Date Closed: April 12, 2018

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.

<b>Part I Reporting Authority</b>		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name <b>Pima County, Arizona</b>		2 Issuer's employer identification number (EIN) <b>86   6000543</b>	
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) <b>130 West Congress, 6th Floor</b>		Room/suite	4 Report number (For IRS Use Only) <b>3</b>
6 City, town, or post office, state, and ZIP code <b>Tucson, Arizona 85701</b>		7 Date of issue <b>04/12/2018</b>	
8 Name of issue <b>Sewer System Revenue Obligations, Series 2018</b>		9 CUSIP number <b>721876 TT7</b>	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) <b>Mr. Keith Dommer, Finance and Risk Management Director</b>		10b Telephone number of officer or other employee shown on 19a <b>(520) 724-8496</b>	

<b>Part II Type of Issue (enter the issue price)</b> 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	<b>\$ 45,414,783 05</b>
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"/>		

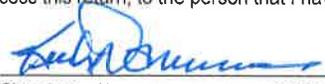
<b>Part III Description of Obligations.</b> Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	<b>07/01/2033</b>	<b>\$ 45,414,783.05</b>	<b>\$ 38,205,000.00</b>	<b>11.9698 years</b>	<b>2.8032%</b>

<b>Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)</b>				
22	Proceeds used for accrued interest	22	\$	<b>0</b>
23	Issue price of entire issue (enter amount from line 21, column (b))	23	<b>45,414,783</b>	<b>05</b>
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	<b>414,783</b>	<b>05</b>
25	Proceeds used for credit enhancement	25	<b>0</b>	<b>00</b>
26	Proceeds allocated to reasonably required reserve or replacement fund.	26	<b>0</b>	<b>00</b>
27	Proceeds used to currently refund prior issues	27	<b>0</b>	<b>00</b>
28	Proceeds used to advance refund prior issues.	28	<b>0</b>	<b>00</b>
29	Total (add lines 24 through 28).	29	<b>414,783</b>	<b>05</b>
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	<b>\$ 45,000,000</b>	<b>00</b>

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

**Part VI Miscellaneous**

<b>35</b> Enter the amount of the state volume cap allocated to the issue under section 141(b)(5).	<b>35</b>	<b>0</b>	<b>00</b>
<b>36a</b> Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	<b>36a</b>	<b>0</b>	<b>00</b>
<b>b</b> Enter the final maturity date of the GIC	N/A		
<b>c</b> Enter the name of the GIC provider	N/A		
<b>37</b> Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	<b>37</b>	<b>0</b>	<b>00</b>
<b>38a</b> 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>b</b> Enter the date of the master pool obligation	_____		
<b>c</b> Enter the EIN of the issuer of the master pool obligation	_____		
<b>d</b> Enter the name of the issuer of the master pool obligation	_____		
<b>39</b> If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box	<input type="checkbox"/>		
<b>40</b> If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box	<input type="checkbox"/>		
<b>41a</b> If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
<b>b</b> Name of hedge provider	_____		
<b>c</b> Type of hedge	_____		
<b>d</b> Term of hedge	_____		
<b>42</b> If the issuer has superintegrated the hedge, check box	<input type="checkbox"/>		
<b>43</b> 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"/>		
<b>44</b> If the issuer has established written procedures to monitor the requirements of section 148, check box	<input checked="" type="checkbox"/>		
<b>45a</b> If some portion of the proceeds was used to reimburse expenditures, check here <input checked="" type="checkbox"/> and enter the amount of reimbursement	\$15,454,983.00		
<b>b</b> Enter the date the official intent was adopted	11/16/2017		

<b>Signature and Consent</b>	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.			
		04/12/2018	Keith Dommer, Finance and Risk Management Director	
<b>Paid Preparer's Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Rebecca Harrigal		4/30/2018	PTIN P02041167
	Firm's name	Greenberg Traurig, LLP		Firm's EIN
	Firm's address	2001 Market Street, #2700, Philadelphia, PA 19103		(215) 988-7836

**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 2018

Date Closed: April 12, 2018

Attached  
(Debt Service Schedule included)

SEE ITEM 10