

RESOLUTION NO. 2016-__

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF PIMA COUNTY, ARIZONA, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016, IN ONE OR MORE SERIES; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS; PROVIDING TERMS, COVENANTS AND CONDITIONS CONCERNING THE BONDS; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS; AUTHORIZING AND DIRECTING THE REFUNDING OF CERTAIN OUTSTANDING BONDS; APPOINTING AN INITIAL REGISTRAR AND PAYING AGENT FOR THE BONDS; AND APPROVING AND RATIFYING ALL ACTIONS TAKEN IN FURTHERANCE OF THIS RESOLUTION.

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

Section 1. Recitals, Findings and Conclusions.

A. (i) Pursuant to Title 35, Chapter 3, Articles 3 and 4, Arizona Revised Statutes (the "Act"), Pima County, Arizona (the "County") is authorized to issue general obligation bonds to refund all or any portion of its outstanding general obligation bonds at or prior to maturity. The County has issued and currently has outstanding certain of its General Obligation Bonds, Series 2007, General Obligation Bonds, Series 2008, General Obligation Bonds, Series 2009, General Obligation Bonds, Series 2009A, General Obligation Bonds, Series 2011, General Obligation Bonds, Series 2012A, General Obligation Refunding Bonds, Series 2012B, General Obligation Bonds, Series 2013A, General Obligation Refunding Bonds, Series 2013B, General Obligation Bonds, Series 2014 and General Obligation Bonds, Series 2015 (collectively, the "Prior Bonds") which were issued pursuant to the provisions of the Act.

(ii) The Board of Supervisors of the County (the "Board of Supervisors") has determined that it is expedient and necessary to issue the Bonds (as defined below) and to use the proceeds of those Bonds to refund the maturities of the Prior Bonds described on Exhibit A to the hereinafter-described Depository Trust Agreement, as executed and delivered (the "Bonds to be Refunded"), in advance of their maturity.

B. The Board of Supervisors intends to issue bonds (the "Bonds"), in one or more series, for the purpose of and in an aggregate principal amount sufficient to refund the Bonds to be Refunded and for the purpose of paying costs of issuance of the Bonds.

C. The Board of Supervisors shall receive a proposal for the purchase of the Bonds from RBC Capital Markets, LLC (the "Underwriter") which will be in substantially the form executed and delivered by the County in connection with the sale of the General Obligation Bonds, 2015 Bonds, with such changes as are approved by the Director of Finance of the County, and the County desires that the Bonds be sold through negotiation pursuant to A.R.S. § 35-475 to the Underwriter on the terms set forth in this resolution.

D. By this resolution, the Board of Supervisors shall approve such form of bond purchase agreement and order the proposed bond purchase agreement to be completed with the final terms of the Bonds and entered into between the County and the Underwriter when the final terms of the sale have been determined for the sale of the Bonds to the Underwriter (as so completed, the "Bond Purchase Agreement").

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

F. The Bonds will be offered for sale by a Preliminary Official Statement (the "Preliminary Official Statement") which with conforming and other changes will be the Official Statement (the "Official Statement").

Section 2. Authorization. The Board of Supervisors hereby authorizes the issuance and sale of Pima County, Arizona General Obligation Refunding Bonds, Series 2016 (the "Bonds") to be issued and sold by negotiated sale pursuant to A.R.S. § 35-475, in one or more series, in an aggregate principal amount not exceeding an amount sufficient to refund the Bonds to be Refunded and pay the costs of issuance of the Bonds. The Bonds shall be issued and sold in accordance with the provisions of this resolution provided that the refunding shall produce debt service savings, net of all issuance costs, of at least 2.5% of the par amount of the Bonds to be Refunded and delivered against payment therefor by the Underwriter.

Section 3. Terms. The Bonds will be dated the date of initial delivery thereof and will bear interest, calculated on the basis of a 360-day year of twelve 30-day months, from such date to the maturity or prior redemption of each of the Bonds at the rates per annum established by the accepted proposal and set forth in the Bond Purchase Agreement as executed and delivered, the first interest payment date to be July 1, 2016, or such other date as is set forth in the Bond Purchase Agreement as executed and delivered, interest to be payable semiannually thereafter on each January 1 and July 1 during the term of the Bonds, the Bonds to be in the denomination of \$5,000 each or integral multiples thereof, in fully registered form. The Bonds shall be sold at prices such that the yield on any issue of the Bonds for purposes of the federal income tax law arbitrage rules does not exceed 6.00% per annum. Interest will be paid on each interest payment date by check mailed by the Paying Agent (as hereinafter defined) to each registered owner of the Bonds at the address shown on the registration book of the Registrar (as hereinafter defined) on the Record Date (as described in Section 11 hereof), or by wire transfer to any securities depository or, upon two days' prior written request delivered to the Paying Agent specifying a wire transfer address in the continental United States, to any registered owner of at least \$1,000,000 aggregate principal amount of Bonds. Principal of the Bonds, at maturity or upon redemption prior to maturity, will be payable upon presentation and surrender at the designated office of the Paying Agent. The Bonds will mature (or be subject to mandatory redemption) on July 1 in the years and in the amounts as set forth in the accepted proposal and the Bond Purchase Agreement as executed and delivered, but not later than the final maturity of the Bonds to be Refunded. The principal amount of the Bonds, the principal amount maturing in each year, the interest rates applicable to each maturity, the optional, mandatory and extraordinary optional redemption, if any, provisions, and any other final terms of the Bonds and of the sale of the Bonds shall be as set forth in the Bond Purchase Agreement as executed and

delivered, and such approval shall be evidenced by the execution and delivery of the Bond Purchase Agreement.

Section 4. Prior Redemption.

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

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

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

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

E. Redemption of Less Than All of a Bond. The County may redeem a portion of any Bond in \$5,000 increments. In that event, the registered owner shall submit the Bond for partial redemption and the Paying Agent shall make such partial payment and the Registrar shall cause to be issued a new Bond in a principal amount which reflects the redemption so made to be authenticated and delivered to the registered owner thereof.

Section 5. Use of Bond Proceeds.

A. Premium received for the Bonds shall be deposited in the Interest Account in an amount specified by the Director of Finance of the County or his designee as not being used to pay costs associated with the issuance of the Bonds or deposited with the Depository Trustee (as defined herein) as provided in subsection B.

B. If and to the extent that any of the Bonds to be Refunded are to be refunded with proceeds from the sale of the Bonds, as determined by the Director of Finance of

the County, the balance of the proceeds of the Bonds as shall be required by the Depository Trust Agreement (as defined herein) shall be deposited with the Depository Trustee and applied in the manner provided in the Depository Trust Agreement in connection with the refunding of the Bonds to be Refunded.

C. Pending any disbursement(s), the County Treasurer is directed to invest the proceeds from the sale of the Bonds that are not deposited with the Depository Trustee and that are in the possession of the County Treasurer in the State Treasurer's Local Government Investment Pool (LGIP); provided, however, that the County, acting through the Director of Finance of the County, may at any time provide other written investment instructions to the County Treasurer and the County Treasurer, to the extent that such investments are lawful, is authorized and directed to invest the monies designated in the written instructions in the investments set forth in the instructions.

Section 6. Form of Bonds.

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

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

Section 7. Book Entry Only System.

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

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

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

D. In the event the County determines not to continue the DTC book entry only system or DTC determines to discontinue providing its services with respect to the Bonds

and the County does not select another qualified securities depository, the County shall cause the Registrar to deliver to DTC for redistribution to beneficial owners of the Bonds one or more Bonds in such principal amount or amounts, in denominations of \$5,000 and any integral multiple thereof, and registered in such name or names, as DTC shall designate.

Section 8. Execution of Bonds.

A. The Bonds shall be executed for and on behalf of the County by the Chair of the Board of Supervisors, countersigned by the County Treasurer and attested by the Clerk of the Board of Supervisors by their manual or facsimile signatures and a manual or facsimile of the County seal shall be affixed to each bond.

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

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

Section 9. Mutilated, Lost or Destroyed Bonds. In case any Bond becomes mutilated, destroyed or lost, the County shall cause to be executed and delivered a new Bond of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond destroyed or lost, upon the registered owner's paying the reasonable expenses and charges of the County in connection therewith and, in the case of a Bond destroyed or lost, upon the registered owner filing with the Clerk of the Board of Supervisors and the Registrar evidence satisfactory to the County and the Registrar that such Bond was destroyed or lost, and furnishing the County with a sufficient indemnity Bond pursuant to Section 47-8405, Arizona Revised Statutes.

Section 10. Acceptance of Offer; Sale of Bonds; Bond Purchase Agreement Approval.

A. The Underwriter proposes to purchase the Bonds pursuant to the Bond Purchase Agreement submitted to and on file with the Clerk of the Board of Supervisors. Such proposal as supplemented by the final terms as contemplated by this resolution is hereby accepted, provided that the Bonds shall not be sold for less than 100% of the principal amount thereof. When the final terms of the Bonds are known, the Bond Purchase Agreement shall be finalized. The Chair of the Board of Supervisors or the Director of Finance of the County are authorized and directed to cause the Bond Purchase Agreement to be completed and executed; provided, however, that the parameters of this resolution shall govern the Bond Purchase Agreement and provided further that no terms or conditions may be inserted in the Bond Purchase Agreement which would be contrary to this resolution. Any other provision of this resolution to the contrary notwithstanding, no premium on the Bonds shall exceed the net premium permitted by A.R.S. § 35-473.01(G). Upon the completion, execution and delivery of the Bond Purchase Agreement, the Bonds are ordered sold to the Underwriter pursuant to the Bond Purchase Agreement. The execution and delivery of the Bond Purchase Agreement as completed shall be conclusive evidence of such approval of the final terms and provisions.

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

Section 11. Registrar and Paying Agent.

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

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

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

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

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

F. The Registrar shall authenticate Bonds for original issue upon the written request of the Director of Finance of the County or his designee. The aggregate principal amount of Bonds outstanding at any time may not exceed the amount authorized by this

resolution except for replacement Bonds as to which the requirements of the Registrar and the County are met.

Section 12. Depository Trustee; Depository Trust Agreement. U.S. Bank National Association is hereby appointed as the depository trustee (the “Depository Trustee”) for the Bonds to be Refunded. The Depository Trust Agreement between the County and the Depository Trustee (the “Depository Trust Agreement”), which will be in substantially the form executed and delivered by the County in connection with the sale of the 2015 Bonds, with such changes as are approved by the Director of Finance of the County is hereby approved, and the Chair of the Board is hereby authorized, empowered and directed, for and on behalf of the County, to execute and deliver the Depository Trust Agreement with such changes therein as he shall approve, his execution and delivery thereof to serve as conclusive evidence of such approval.

Section 13. Call for Redemption of Bonds To Be Refunded. The County does hereby exercise its right to redeem, and does hereby call for redemption (subject to the delivery of the Bonds) on the first available redemption dates, each maturity of the Bonds to be Refunded, as provided in the Depository Trust Agreement, as executed and delivered.

Section 14. Tax Levy for Payment. For the purpose of providing for the payment of interest on the Bonds herein authorized and to create a redemption fund for the purpose of paying the Bonds at their respective maturity dates, there will be levied on all of the taxable property in the County a continuing, direct, annual, ad valorem tax sufficient to pay the principal of and interest on the Bonds as they become due, without limitation as to rate but limited to an amount not greater than the amount of ad valorem taxes that would have been levied to pay the Bonds to be Refunded, which funds are irrevocably pledged for the payment of principal of and interest on the Bonds when and as the same fall due, subject to the rights of the owners of the Bonds to be Refunded to payment of the Bonds to be Refunded from the same tax source in the event of a deficiency in the moneys and obligations issued by or guaranteed by the United State of America which will be purchased from the proceeds of the sale of the Bonds and other moneys available therefor and placed in trust for the purpose of making all payments when due on the Bonds to be Refunded. Upon collection, said taxes will be placed in separate funds to be designated “Interest Fund” and “Redemption Fund” and the taxes therein will be applied solely for the purpose of payment of principal of and interest on the Bonds and for no other purpose whatsoever until all of the Bonds authorized hereunder have been fully paid, satisfied and discharged.

Section 15. Resolution a Contract. This Resolution shall constitute a contract between the County and the registered owners of the Bonds and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the registered owners of the Bonds then outstanding.

Section 16. Tax Covenants.

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

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

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

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

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

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

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

Section 17. Continuing Disclosure Undertaking. The County recognizes that the Underwriter is required to comply with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), in connection with purchasing or selling the Bonds as an underwriter. In order to assist the Underwriter in complying with the Rule, the County will enter into a Continuing Disclosure Undertaking with respect to the Bonds, and a Continuing Disclosure Undertaking, which will be in substantially the form entered into by the County in connection with the sale of the 2015 Bonds with such changes as are approved by the Director of Finance of the County is hereby approved. The Director of Finance of the County or his designee is hereby authorized and directed to execute and deliver the Continuing Disclosure Undertaking and to do all such acts and things necessary to carry out the terms and intent of the Continuing Disclosure Undertaking.

Section 18. Official Statement. The Director of Finance of the County or his designee is hereby authorized and directed to prepare or authorize to be prepared, and to complete a Preliminary Official Statement (the "Preliminary Official Statement") in connection with the original issuance of the Bonds, which will be in substantially the form distributed by the County in connection with the sale of the 2015 Bonds, with such changes as are approved by the Director of Finance of the County, and a final Official Statement (the "Official Statement") relating to the original issuance of the Bonds in substantially the form of the Preliminary Official Statement, with such additions, deletions and modifications consistent with this Resolution as shall be approved by the Director of Finance of the County or his designee. If and to the extent applicable, the Director of Finance of the County or his designee shall certify or otherwise represent that the Preliminary Official Statement, in original or revised form, is a "deemed final" official statement (except for permitted omissions) of the County as of a particular date and that a completed version is a "final" official statement for purposes of the Rule. The distribution and use of the Preliminary Official Statement and the final Official Statement by the County and the original purchaser of the Bonds is hereby authorized, ratified, confirmed and approved.

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

Section 19. Bond Insurance or Other Credit Enhancement. The Director of Finance of the County is authorized to contract for one or more credit enhancements for all or any part of the Bonds, and to pay the costs of them from proceeds of the Bonds or other monies of the County, if he determines that the credit enhancement will result in a savings in financing costs to the County. If he determines that one or more credit enhancements will result in savings in the cost of this financing to the County, the Finance Director of the County is authorized to cause to be completed, signed and delivered, on behalf of the County, appropriate agreements with credit enhancement providers concerning matters customary to be covered by such agreements, including, without limitation, any of the following: (a) the terms of the credit or liquidity support instrument and the amounts to be paid for it, (b) procedures for payments pursuant to the credit or liquidity support instrument and reimbursement of amounts advanced, including subrogation of the provider to the rights of owners of bonds receiving payment from monies furnished by the provider, (c) voting rights, (d) remedies, (e) notices and providing of information, and (f) permitted investments of monies with respect to all or any series of the Bonds. If one or more credit enhancements are obtained with respect to any of the Bonds, the provider of credit enhancement may be deemed to be the owner of the Bonds supported for purposes of demands, requests, consents, waivers or other actions by owners of the Bonds so long as the provider has not failed to comply with its obligations.

Section 20. Authorization to Purchase Government Obligations. The Depository Trustee is hereby authorized to purchase United States Government Obligations to be purchased and held pursuant to the provisions of the Depository Trust Agreement. The maturing principal of and interest income earned on said United States Government Obligations will be calculated to be sufficient to pay when due all principal of and interest and, where applicable, premium on the Bonds to be Refunded. An opinion of a firm of qualified certified public accountants will be provided as to the arithmetical accuracy of such calculations. The yields on the investments purchased with the proceeds of the Bonds held under the Depository Trust Agreement shall not exceed the yield permitted under the Code and the regulations thereunder, as determined by the County's bond counsel upon a report of such certified public accountants.

Section 21. Severability. If any section, paragraph, subdivision, sentence, clause or phrase of this Resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this Resolution. The Board of Supervisors hereby declares that the County would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unenforceable.

Section 22. Ratification of Actions. All actions of the officers, employees, and agents of the County which 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 hereby ratified, confirmed and approved. Any change made in the Notice that does not conform to the prior order of this Board of Supervisors is hereby ratified. 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 April 19, 2016.

PIMA COUNTY, ARIZONA

By: _____
Chair, Board of Supervisors

ATTEST:

By: _____
Clerk, Board of Supervisors

APPROVED AS TO FORM:

SQUIRE PATTON BOGGS (US) LLP
Bond Counsel

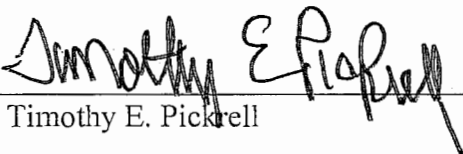
By:  _____
Timothy E. Pickrell

EXHIBIT A

RESOLUTION NO. 2016-_____

FORM OF BOND

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

PIMA COUNTY, ARIZONA
GENERAL OBLIGATION REFUNDING BOND
SERIES 2016

Number: _____

Denomination: \$ _____

Interest Rate
_____%

Maturity Date
July 1, 20____

Original Issue Date
_____, 2016

CUSIP
721663 ____

Registered Owner: CEDE & CO.

Principal Amount: _____ AND NO/100 DOLLARS

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

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

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

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

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

This bond is one of an issue of bonds in the total principal amount of \$_____ of like tenor except as to maturity date, rate of interest and number, issued by the County to provide funds to refund outstanding general obligations bonds of the County (the "Bonds Being Refunded"), pursuant to a resolution of the Board of Supervisors of the County duly adopted prior to the issuance hereof, and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of such bonds.

For the punctual payment of this bond and the interest hereon and for the levy and collection of ad valorem taxes sufficient for that purpose, the full faith and credit of the County are hereby irrevocably pledged, without limitation as to rate but limited to an amount not greater than the amount of ad valorem taxes that would have been levied to pay the bonds to be refunded by the issue of which this bond is one (the "Bonds to be Refunded"), which funds are irrevocably pledged for the payment of principal of and interest on this issue of bonds when and as the same fall due, subject to the rights of the owners of the Bonds to be Refunded to payment of such Bonds to be Refunded from the same tax source in the event of a deficiency in the moneys and obligations issued by or guaranteed by the United States of America which will be purchased from the proceeds of the sale of the issue of which this bond is one and other moneys available therefor and placed in trust for the purpose of making all payments when due on the Bonds to be Refunded. .

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

This bond is issued under the provisions of Title 35, Chapter 3, Article 4 of the Arizona Revised Statutes (the "Act") and a Resolution adopted by the Board of Supervisors of the County on April 19, 2016 (the "Resolution"). Reference is hereby made to the Act and the Resolution referred to above for the provisions thereof, including the provisions with respect to the rights, obligations, duties and immunities of the County and the owners of bonds issued thereunder, to all of which the registered owner of this bond, by acceptance of this bond, assents.

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

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

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

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

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

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

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

It is hereby certified and recited that all conditions, acts and things required by the Constitution and laws of the State of Arizona to exist, to occur and to be performed precedent to and in the issuance of this bond exist, have occurred and have been performed and that the issue of bonds of which this is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the State of Arizona, and that due provision has been made for the levy and collection of a direct, annual ad valorem tax upon all of the taxable property in the County for the payment of this bond and of the interest hereon as each becomes due, without limitation as to rate but limited to an amount not greater than the amount of ad valorem taxes that would have been levied to pay the Bonds Being Refunded, which funds

are irrevocably pledged for the payment of principal of and interest on the Bonds when and as the same fall due, subject to the rights of the owners of the Bonds Being Refunded to payment of the Bonds Being Refunded from the same tax source in the event of a deficiency in the moneys and obligations issued by or guaranteed by the United State of America which will be purchased from the proceeds of the sale of the Bonds and other moneys available therefor and placed in trust for the purpose of making all payments when due on the Bonds Being Refunded.

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

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

PIMA COUNTY, ARIZONA

(facsimile)
Chair, Board of Supervisors

COUNTERSIGNED:

(facsimile)
County Treasurer

ATTEST:

(facsimile)
Clerk, Board of Supervisors

SEAL

AUTHENTICATION CERTIFICATE

This bond is one of the Pima County, Arizona General Obligation Refunding Bonds, Series 2016, described in the Resolution mentioned herein.

Date of Authentication: _____, 2016

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By: _____
Authorized Representative

ASSIGNMENT

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

(Name and Address of Transferee)

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

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

Dated: _____

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

Signature Guaranteed:

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

ABBREVIATIONS

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

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

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

(State)

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