

**RESOLUTION NO. 2013-\_\_**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA AUTHORIZING THE LEASE AND LEASE-PURCHASE BACK OF CERTAIN REAL PROPERTY, INCLUDING BUILDINGS AND STRUCTURES, IN ORDER TO FINANCE CAPITAL PROJECTS FOR THE COUNTY; AUTHORIZING NOTICE TO THE PUBLIC OF THE LEASE OR SALE OF THE PROPERTY AND PROVIDING FOR THE AWARD THEREOF TO THE HIGHEST RESPONSIBLE BIDDER; AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE, 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 THEREFOR; AND AUTHORIZING OTHER ACTIONS AND MATTERS IN CONNECTION THEREWITH.**

WHEREAS, Pima County, Arizona (the "County") upon due investigation and consideration deems it advantageous and necessary to lease at public auction and to lease-purchase back certain land, buildings, structures and improvements comprised of the Pima County Public Service Center located at 220 North Stone Avenue and/or at East Alameda Street, Tucson, Arizona (the "Facilities"); and

WHEREAS, the Board of Supervisors (the "Board"), is authorized to lease, at public auction, after notice to the public, County property pursuant to Arizona Revised Statutes § 11-256; and

WHEREAS, the County, in accordance with applicable law, will request bids for the lease of the Facilities, all as more fully described in the legal notice requesting such bids (the "Request for Bids"); and

WHEREAS, upon receipt of sealed bid proposals and following the public auction, the County intends that the Facilities be leased and awarded to the bidder which submits the highest bid as determined by the requirements of and responsive to the Request for Bids (the "Successful Bidder"); and

WHEREAS, the County intends that the proceeds received from the lease of the Facilities be applied by the County to pay or to reimburse costs of the acquisition, construction, improvement and equipping of various County sites, buildings and facilities and for other capital purposes (the "Projects"); and

WHEREAS, the County intends to lease-purchase back the Facilities through amendments or supplements to an existing lease-purchase agreement executed and delivered pursuant to Arizona Revised Statutes § 11-251(46);

WHEREAS, it is presently anticipated that (a) any Successful Bidder of the Facilities will finance its bid through the execution and delivery of certificates of participation, in one or more series (the "Certificates"), evidencing and representing proportionate interests of the owners thereof in lease payments to be made by the County pursuant to amendments or supplements to an existing lease-purchase agreement (collectively, the "Lease Agreement") between the County and the Trustee (defined below), as lessor, and to approve and execute all required legal documents in connection with such financing, including, without limitation a ground lease (the "Ground Lease") between the County and the Trustee, as lessee, relating to the Facilities; and

WHEREAS, the Certificates will be executed, delivered and paid in accordance with the terms of amendments or supplements to an existing Trust Agreement (collectively, the "Trust Agreement"), between the County and U.S. Bank National Association or another corporate trustee specified by the County, as trustee thereunder (the "Trustee"), in connection with the Certificates; and

WHEREAS, the Certificates of each series will be offered for sale pursuant to a Preliminary Official Statement (the "Preliminary Official Statement"), which, with conforming changes, will become the Official Statement (the "Official Statement") and sold, in a principal amount not exceeding the principal amount specified in the bid of the Successful Bidder, pursuant to one or more Certificate Purchase Agreements (collectively, the "Purchase Agreement") between the County and the purchaser of such series of the Certificates (collectively, the "Original Purchaser"); and

WHEREAS, in connection with the execution and delivery of the Certificates, Securities and Exchange Commission Rule 15(c)2-12 may require the County to make certain agreements for the benefit of holders and beneficial owners from time to time of the Certificates, as evidenced in one or more Continuing Disclosure Undertakings from the County (the "Continuing Disclosure Undertaking"); and

WHEREAS, the County has the power and authority to enter into and deliver the Lease Agreement, the Ground Lease, the Trust Agreement, the Purchase Agreement, the Continuing Disclosure Undertaking and such additional agreements (collectively, the "County Documents") or amendments thereto and has determined that it is advantageous and in the public interest to approve the execution, sale and delivery of the Certificates in order to secure the financial advantages for the County;

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

Section 1. It is hereby found and determined that the lease and lease-purchase back of all or a portion of the Facilities pursuant to the Request for Bids are advantageous to the County and in furtherance of the purposes of the County and in the public interest.

Section 2. The Board hereby directs, approves and authorizes the lease and lease-purchase back of all or a portion of the Facilities pursuant to the Request for Bids and in accordance with the requirements of all applicable laws. The County

Administrator, the Director of Finance of the County and all other appropriate officers and employees of the County are hereby authorized and directed to prepare the form of the Request for Bids. The publication and advertisement of such lease in accordance with the applicable law and the taking of all necessary steps to effectuate such lease in accordance with the applicable law is hereby authorized, approved, ratified, and confirmed in all respects.

Section 3. Upon the receipt of sealed bid proposals at the date, time and place prescribed by the Request for Bids, whether continued, postponed or rescheduled, and following the public auction and the consideration of bids received and the recommendation of the Director of Finance of the County, the lease of the Facilities described in the Request for Bids will be awarded to the Successful Bidder by this Board acting through its Chairman on behalf of the County to the highest bid as determined by the requirements of and responsive to the Request for Bids, unless all bids are rejected.

Section 4. The Chairman, Vice Chairman or Acting Chairman of this Board, the County Administrator of the County or the Director of Finance of the County (each an "Authorized Officer") are each hereby authorized, empowered and directed, with the approval of counsel to the County, in the name and on behalf of the County, to execute or attest, as required, and deliver the County Documents, in such forms as shall be reviewed by counsel to the County and approved by the Authorized Officer executing the same.

Section 5. From and after the execution and delivery of the County Documents in definitive form by the County and the other parties thereto, as required, the officers, agents and employees of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such agreements, documents, instruments and certificates as may be necessary to carry out and comply with the provisions thereof, including but not limited to the execution of tax compliance certificates or any other such document necessary in relation to the tax-exempt status of any series of Certificates intended by the County to be executed and delivered bearing tax-exempt interest or otherwise required by the related Purchase Agreement.

Section 6. The execution, sale and delivery of Certificates, which in the aggregate will not exceed the principal amount specified in the bid of the Successful Bidder, plus any amount approved by an Authorized Officer as being necessary to fund a debt service reserve fund, bearing interest at the rate or rates per annum not to exceed a yield of 6.00% per annum computed in accordance with Section 148 of the Internal Revenue Code of 1986 as amended, and having the other terms and conditions to be provided in the related Purchase Agreement and the Trust Agreement (as executed and delivered) and consistent with this Resolution, are in all respects approved. Each series of Certificates shall be sold and awarded to the Original Purchaser at a price of not less than 98% of par (excluding any original issue discount). Each series of Certificates shall mature over a period ending not later than fifteen years from its execution and delivery, may be subject to mandatory or optional redemption prior to maturity, and shall have such other terms, all as provided in the related Trust Agreement and Purchase Agreement (as executed and delivered). The Certificates shall be executed and delivered for any or all of the following purposes: (a) financing or reimbursing costs of the Projects, and (b)

funding any amount required to be deposited into a debt service reserve fund and paying the costs associated with the execution and delivery of such Certificates.

Section 7. The distribution of the Preliminary Official Statement by the Original Purchaser with respect to each series of Certificates is hereby ratified and approved in the form approved by an Authorized Officer and an Official Statement for such series is hereby authorized and approved, in substantially the form of the related Preliminary Official Statement, with such changes or revisions as may be approved by the Authorized Officer executing the same. Any Authorized Officer is hereby authorized, empowered and directed, in the name and on behalf of the County, to execute and deliver the same to the Original Purchaser, and to execute and deliver instruments confirming that the Preliminary Official Statement is “deemed final” in accordance with Securities and Exchange Commission Rule 15(c)2-12.

Section 8. If the Director of Finance of the County or his designee determines that the purchase of an insurance policy securing payment of any series of Certificates, or a surety bond or other reserve fund guaranty, would be advantageous to the County, any officer, agent or employee of the County is hereby authorized to negotiate with and secure, with proceeds of such series of Certificates or otherwise, such an insurance policy or reserve fund guaranty, or both, from one or more institutions the claims-paying ability of which are then assigned a rating of “Aa3/AA-” or better by a nationally recognized credit rating agency at the time of issuance of the insurance policy and/or reserve fund guaranty. Each Authorized Officer is hereby further authorized to execute and deliver any instruments or documents necessary in connection with the purchase of any such insurance policy and/or reserve fund guaranty, including those making provision for the repayment of amounts advanced by the institutions issuing such insurance policy and/or reserve fund guaranty.

Section 9. The Authorized Officers, and the designees of any of them, are each hereby designated and appointed as the Lessee Representative, as defined in the Lease Agreement, and each of them is authorized to execute in the name of and on behalf of the County any closing documents, certificates, or other instruments or documents necessary or appropriate in connection with the transactions described in or contemplated by the related Official Statement, Purchase Agreement, Lease Agreement, Ground Lease or Trust Agreement or amendments or supplements thereto and to do all acts and things as may be necessary or desirable to carry out the terms and intent of this Resolution and of any of the documents referred to herein.

Section 10. The proceeds received by the Trustee from the sale of each series of Certificates shall immediately be applied as provided in the related Trust Agreement. Pending disbursement of any such proceeds received by the County and held by the County Treasurer, the County Treasurer is directed to invest the amounts so received and held in the State Treasurer’s Local Government Investment Pool (LGIP); provided, however, that 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 monies as set forth in the instructions.

Section 11. All actions of the officers, agents and employees of the County which are in conformity with the purposes and intent of the foregoing resolutions be, and the same are hereby, in all respects, authorized, approved, ratified and confirmed.

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PASSED, ADOPTED AND APPROVED, by the Board of Supervisors of Pima County, Arizona, on December 3, 2013.

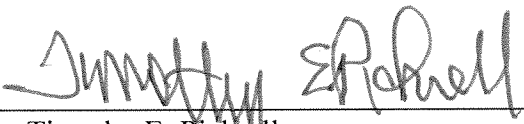
PIMA COUNTY, ARIZONA

By: \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

By: \_\_\_\_\_  
Clerk, Board of Supervisors

Approved as to Form:  
SQUIRE SANDERS (US) LLP,  
Special Counsel

By:  \_\_\_\_\_  
Timothy E. Pickrell