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# MEMORANDUM

## Finance and Risk Management Department

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

**Authorization of Issuance of up to \$50,000,000 in General Obligation Bonds for Projects and up to \$40,000,000 in General Obligation Refunding Bonds to Achieve Interest Savings**

### **Background**

Staff is requesting the approval of a Resolution authorizing the sale of General Obligations Bonds to financing the ongoing capital improvements budgeted for this fiscal year and for the next fiscal year. The Resolution authorizes the sale of up to \$90,000,000 of bonds in two series of debt issues.

The first issue, Series 2013A, consists of \$50,000,000 and is the amount approved in the Fiscal Year 2012-13 Adopted Budget for financing the budgeted capital improvement program arising out of the 1997, 2004 and 2006 voter approved bond authorizations. The proceeds will primarily fund work on the PCWIN Regional Public Safety Communications System, the Downtown Courts Complex and erosion control along the Santa Cruz River. Attached is a list of the projects for which the proceeds will be applied.

In addition to the \$50,000,000 of new debt, the Resolution authorizes the sale of up to \$40,000,000 of refunding bonds, Series 2013B, to obtain interest savings on prior debt issues. Based on the most recent analysis of the trends in the market, we anticipate refunding approximately \$29.7 million of outstanding General Obligation debt that were originally issued in 2004 and 2005. The refunding does not extend the term of the existing debt but is recommended in order to provide the County with anticipated interest savings of \$1.2 million over the seven years remaining on those debt issues.

### **Recommendation**

Staff requests that the Board approve the Resolution authorizing the sale of the General Obligation bonds and refunding bonds.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Tom Burke", is written over a horizontal line.

Tom Burke,  
Finance Director

Attachments



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

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF PIMA COUNTY, ARIZONA, GENERAL OBLIGATION BONDS, SERIES 2013A IN ONE OR MORE SERIES AND THE ISSUANCE AND SALE OF PIMA COUNTY, ARIZONA GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013B 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; 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. New Money Bonds.

(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 for authorized purposes after receiving voter approval. A majority of the qualified electors of the County voting at a special bond election held in and for the County on May 20, 1997 (the "1997 Bond Election") authorized the issuance and sale by the County of \$256,980,000 aggregate principal amount of bonds for various purposes, of which \$248,440,025 in principal amount have been issued, leaving \$8,539,975 in principal amount authorized but not yet issued. A majority of the qualified electors of the County voting at a special bond election held in and for the County on May 18, 2004 (the "2004 Bond Election") authorized the issuance and sale by the County of \$582,250,000 aggregate principal amount of bonds for various purposes, of which \$514,453,839 in principal amount have been issued, leaving \$67,796,161 in principal amount authorized but not yet issued. A majority of the qualified electors of the County voting at a special bond election held in and for the County on May 16, 2006 (the "2006 Bond Election" and, together with the 1997 Bond Election and the 2004 Election, the "Bond Elections") authorized the issuance and sale by the County of \$54,000,000 aggregate principal amount of bonds for various purposes, of which \$51,655,136 in principal amount have been issued, leaving \$2,344,864 in principal amount authorized but not yet issued.

(ii) The Board of Supervisors of the County (the "Board of Supervisors") intends to issue bonds in the aggregate principal amount of not to exceed \$50,000,000 of Improvement Bonds (as defined below) in one or more series for the purpose of

financing the public improvements in accordance with the authority granted at the Bond Elections and for the purpose of paying a portion of the costs of issuance of the Improvement Bonds.

B. Refunding Bonds.

(i) Pursuant to the Act, 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 2003, General Obligation Bonds, Series 2004, General Obligation Bonds, Series 2005, 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 and General Obligation Refunding Bonds, Series 2012B (collectively, the "Prior Bonds") which were issued pursuant to the provisions of the Act. This Board has determined that it is expedient and necessary to issue the Refunding Bonds (as defined below) and to use the proceeds of those Refunding Bonds to refund the maturities of the Prior Bonds described on Exhibit A to the hereinafter-described Depository Trust Agreement (Exhibit C to this Resolution), as executed and delivered (the "Bonds to be Refunded"), in advance of their maturity.

(ii) The Board of Supervisors intends to issue bonds in the aggregate principal amount of not to exceed \$40,000,000 (the "Refunding Bonds" and, together with the Improvement Bonds, the "Bonds") in one or more series for the purpose of refunding the Bonds to be Refunded and for the purpose of paying a portion of the costs of issuance of the Refunding Bonds.

C. The Board of Supervisors shall receive a proposal for the purchase of the Bonds from RBC Capital Markets, LLC (the "Underwriter") in substantially the form of a bond purchase agreement now on file with the Clerk of the Board of Supervisors and the County desires that the Bonds be sold through negotiation pursuant to A.R.S. § 35-457(C) 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 Bonds, Series 2013A (the "Improvement

Bonds”) to be issued and sold by negotiated sale pursuant to A.R.S. § 35-457(C) in an aggregate principal amount not exceeding \$50,000,000, in one or more series for the purpose of (1) providing funds to make certain of the public improvements the bond financing of which was authorized at the Bond Elections and (2) paying the costs of issuance of the Improvement Bonds. The Board of Supervisors hereby authorizes the issuance and sale of Pima County, Arizona General Obligation Refunding Bonds, Series 2013B (the “Refunding Bonds” and, together with the Improvement Bonds, the “Bonds”) to be issued and sold by negotiated sale pursuant to A.R.S. § 35-475 in an aggregate principal amount not exceeding \$40,000,000, in one or more series for the purpose of (1) refunding the Bonds to be Refunded for which not less than 2.5% aggregate present value debt service savings can be achieved and (2) paying the costs of issuance of the Refunding Bonds. The Bonds shall be issued and sold in accordance with the provisions of this resolution 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 January 1, 2014, 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 interest rates on the Bonds shall not exceed the maximum rates authorized at the Bond Elections and 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 and not exceeding the longest period authorized at the Bond Elections. The principal amount of the Improvement Bonds, and, if Refunding Bonds are issued, the principal amount of the Refunding 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 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 Improvement Bond Proceeds.

A. Premium received for the Improvement 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 Improvement Bonds.

B. The balance of the proceeds from the sale of the Improvement Bonds shall be set aside and used for the purposes (including the allocable expenses of issuance) authorized at the Bond Elections. The use of proceeds and the breakdown of the maturity schedule by purpose will be set forth in the Certificate of the Director of Finance of the County or his designee and will be charged against the purposes authorized at the Bond Elections. The allocation set forth in that Certificate is subject to the reserved right of the Board of Supervisors under Arizona Revised Statutes Section 35-456 to modify the determination of the voted purposes for which the Bonds were issued on or before retirement of the Improvement Bonds.

C. Pending any disbursement(s), the County Treasurer is directed to invest the proceeds from the sale of the Improvement Bonds 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. Use of Refunding Bond Proceeds.

A. Premium received for the Refunding 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 Refunding 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 Refunding Bonds, as determined by the Director of Finance of the County, the balance of the proceeds of the Refunding 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 Refunding Bonds 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 7. Form of Bonds.

A. The Improvement Bonds shall be in substantially the form of Exhibit A and the Refunding Bonds shall be in substantially the form of Exhibit B, both 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 8. 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 9. Execution of Bonds.

A. The Improvement Bonds shall be executed for and on behalf of the County by the Chairman of the Board of Supervisors and attested by the Clerk of the Board of Supervisors by their manual or facsimile signatures.

B. The Refunding Bonds shall be executed for and on behalf of the County by the Chairman 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.

C. 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.

D. 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 10. 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 11. 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 Improvement Bonds shall not be sold for less than 99% of the principal amount thereof and the Refunding 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 Chairman 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. § 35-457 or §35-471, as applicable. 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 12. 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 13. 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") in substantially the form attached as Exhibit C is hereby approved, and the Chairman 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 14. 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 Refunding 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 15. 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 or amount with respect to the Improvement Bonds, and 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 Refunding 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 Refunding 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 16. 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 17. 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 15, 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 18. Continuing Disclosure Undertaking. The County also 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 in substantially the form on file with the Clerk of the Board of Supervisors 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 19. 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, in substantially the form on file with the Clerk of the Board of Supervisors, 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 Chairman 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 20. 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 21. 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 Refunding 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 22. 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 23. 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 May 7, 2013.

PIMA COUNTY, ARIZONA

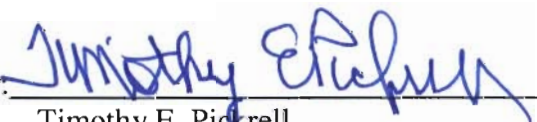
By: \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

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

APPROVED AS TO FORM:

SQUIRE SANDERS (US) LLP  
Bond Counsel

By:   
Timothy E. Pickrell

## EXHIBIT A

### RESOLUTION NO. 2013-\_\_\_\_\_

#### FORM OF IMPROVEMENT 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 BOND  
SERIES 2013A

Number: \_\_\_\_\_

Denomination: \$\_\_\_\_\_

Interest Rate  
%

Maturity Date  
July 1, 20\_\_\_\_

Original Issue Date  
\_\_\_\_\_, 2013

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 January 1, 2014, 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 make those certain public improvements approved by a majority vote of qualified electors voting at elections duly called and held in and for the County on May 20, 1997, May 18, 2004 and May 16, 2006, 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.

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 3 of the Arizona Revised Statutes (the "Act") and a Resolution adopted by the Board of Supervisors of the County on May 7, 2013 (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, unlimited as to rate or amount.

The County has caused this bond to be executed by the Chairman 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)  
Chairman, Board of Supervisors

ATTEST:

\_\_\_\_\_  
(facsimile)  
Clerk, Board of Supervisors

AUTHENTICATION CERTIFICATE

This bond is one of the Pima County, Arizona General Obligation Bonds, Series 2013A, described in the Resolution mentioned herein.

Date of Authentication: \_\_\_\_\_

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.

**EXHIBIT B**

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

**FORM OF REFUNDING 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 2013B**

Number: \_\_\_\_\_

Denomination: \$\_\_\_\_\_

Interest Rate  
%

Maturity Date  
July 1, 20\_\_\_\_

Original Issue Date  
\_\_\_\_\_, 2013

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 January 1, 2014, 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 May 7, 2013 (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 Chairman 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)  
Chairman, 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 2013B, described in the Resolution mentioned herein.

Date of Authentication: \_\_\_\_\_

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.

## EXHIBIT C

### RESOLUTION NO. 2013-\_\_\_\_\_

#### DEPOSITORY TRUST AGREEMENT

THIS DEPOSITORY TRUST AGREEMENT, dated as of \_\_\_\_\_, 2013 (this "Agreement"), between PIMA COUNTY, ARIZONA (the "County") and U.S. BANK NATIONAL ASSOCIATION, as Trustee under the hereinafter described Trust Agreement and as Depository Trustee (the "Depository Trustee" or the "Trustee"),

#### WITNESSETH:

WHEREAS, the County has previously issued, and now desires to refund in advance of their respective maturities, the bonds identified on Exhibits A-1, A-2 and A-3 attached hereto (collectively, the "Bonds to be Refunded"); and

WHEREAS, the County, by a resolution adopted on May 7, 2013 (the "Bond Resolution"), has authorized the issuance and sale of the County's General Obligation Refunding Bonds, Series 2013B (the "2013B Bonds"), and the application of the proceeds from the sale of such bonds to refund and redeem in advance of their maturities the Bonds to be Refunded and pay certain costs of issuance relating to the 2013B Bonds (the "Bond Proceeds"); and

WHEREAS, pursuant to the Bond Resolution, the County has sold and delivered the 2013B Bonds to the purchaser thereof against payment therefor and the Bond Proceeds shall be applied to pay the issuance costs of the 2013B Bonds and to purchase obligations issued or guaranteed by the United States Government (hereinafter referred to as "Government Obligations"), the maturing principal of and investment income from which will be sufficient to pay the principal of, premium, and interest on the Bonds to be Refunded as such becomes due and to redeem the Bonds to be Refunded on the respective dates specified in Exhibit A attached hereto; and

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

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

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

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

"Bonds to be Refunded" means the County's General Obligation Bonds, Series \_\_\_\_\_, identified on Exhibit A attached hereto.

"Acquired Obligations" means any security listed in Exhibit B attached hereto.

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

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

"Code" means the Internal Revenue Code of 1986, as amended.

"Depository Trust Agreement" means this Depository Trust Agreement, dated as of \_\_\_\_\_, 2013, between the County and the Depository Trustee.

"Depository Trustee" means U.S. Bank National Association and its successors, as the Depository Trustee under this Depository Trust Agreement.

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

"Report" means the written verification report addressed to the Depository Trustee by \_\_\_\_\_, certified public accountants, of the accuracy of the arithmetical computations of the adequacy of the maturing principal of and interest on the investments held by Depository Trustee in the trust accounts created hereunder to pay, when due, principal, premium, if any, and interest, on the Bonds to be Refunded as the same become due.

"State" means the State of Arizona.

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

**Section 2. Acknowledgment by Depository Trustee.** The Depository Trustee acknowledges receipt of copies of this Depository Trust Agreement and the Report.

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

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

In the event that this Depository Trust Agreement is ever declared void, made voidable, terminated or canceled for any reason, the express trust created herein shall continue for the

benefit of the Beneficiaries, and the County shall use its best efforts to obtain a qualified successor bank to act as Depository Trustee hereunder. In the further event that no successor depository trustee shall qualify to succeed as trustee hereunder, the trust herein declared shall not terminate, and the County shall hold the moneys and Acquired Obligations then on deposit in the hereinafter described Trust Account in trust for the Beneficiaries.

(b) The County shall cause to be deposited with the Depository Trustee the aggregate sum of \$\_\_\_\_\_. The Depository Trustee shall deposit \$\_\_\_\_\_ of such moneys in the Expense Account described in Section 12 hereof. The Depository Trustee agrees to hold the remaining amount of the deposit and all investments made with such moneys and all earnings from investment and reinvestment of such moneys as a special trust fund (the "Trust Account") separate from all other funds and investments held by the Depository Trustee.

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

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

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

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

#### **Section 4. Payment of Bonds to be Refunded; Notices.**

(a) The Depository Trustee is hereby irrevocably authorized and directed to remit to the Paying Agent or Paying Agents for the Bonds to be Refunded in sufficient time to make payments of principal, premium, if any, and interest on the Bonds to be Refunded, when due, the respective amounts due on such payment dates for the Bonds to be Refunded in accordance with Exhibit D attached hereto. The Paying Agent for the Bonds to be Refunded is set forth on Exhibit A attached hereto.

(b) The Depository Trustee is also authorized and directed to mail notice of the advance refunding of the Bonds to be Refunded, in substantially the form set forth as Exhibit C attached hereto, to each registered owner of a Bond to be Refunded, such mailing to take place within a reasonable time after creation of the Trust Account.

(c) The Depository Trustee hereby acknowledges receipt of notice of the County's irrevocable election to call the Bonds to be Refunded for redemption on the redemption date set forth on Exhibit A and the Depository Trustee is hereby also authorized and directed to mail notices of redemption to each registered owner of a Bond to be Refunded, such mailing to take place at least 30 but not more than 60 days prior to the redemption date.

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

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

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

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

(c) A report from an independent certified public accountant or firm of independent certified public accountants whose members are also members of the American Institute of Certified Public Accountants and acceptable to the Depository Trustee and the County, verifying the accuracy of the arithmetical computations of the adequacy of the proceeds from the liquidation, if any, together with any additional deposits and the maturing principal of and interest of Acquired Obligations, if any, to be acquired by the Depository Trustee in accordance

with the County's instructions, to pay, when due, without reinvestment the amounts to be paid from the Trust Account as provided herein.

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

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

**Section 7. Certain Covenants.** The County covenants that:

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

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

(c) It will preserve the validity of the Bonds to be Refunded and the exclusion from gross income for purposes of federal income tax of interest on the Bonds to be Refunded.

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

**Section 9. Reports.** On or prior to [\_\_\_\_\_], the Depository Trustee shall submit to the County a report covering all moneys it shall have received and all payments it shall have made under the provisions hereof for the immediately preceding semiannual period until the Bonds to be Refunded have been paid and redeemed.

**Section 10. Responsibilities and Indemnification.**

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

exposes the Depository Trustee to unreasonable risk of liability or expense, the Depository Trustee shall have no duty to take (or refrain from taking) any such action until the Depository Trustee has been furnished with indemnity adequate, in its sole judgment, to protect the Depository Trustee, its directors, officers, employees, agents and attorneys for, from and against such liability or expense, and all reasonable costs and expenses (including reasonable attorneys' fees) in connection therewith, or until its duty as to any such action (or inaction) shall have been finally adjudicated by a court of competent jurisdiction and all applicable periods in which to appeal or seek appellate review have expired.

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

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

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

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

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

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

- (a) To insert any unintentionally omitted material or to cure any formal defect or omission or to cure any ambiguity, provided any such amendment shall not, in the opinion of the Depository Trustee (in reliance upon an opinion of counsel), materially adversely affect the interests of the holders of the Bonds to be Refunded;
- (b) To grant or confer upon the holders of the Bonds to be Refunded any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them;
- (c) To secure or provide additional revenues or security or reserves for the payment of the Bonds to be Refunded; or
- (d) To reflect the severance of any section, paragraph, subdivision, sentence, clause or phrase hereof which has been held illegal or unenforceable.

**Section 16. Termination.** When all amounts payable on the Bonds to be Refunded have become due and the Depository Trustee has on deposit all moneys necessary for the payment of such amounts, and in any event on the Business Day following the date on which the last of the Bonds to be Refunded is to be retired, the Depository Trustee shall deposit all moneys and investments credited to the Trust Account and not needed for payment of principal of and interest on the Bonds to be Refunded or fees and expenses of the Depository Trustee into the Bond Fund established in the Bond Resolution. Any moneys held by the Depository Trustee or any paying agent for the payment of the principal of and interest on any Bonds to be Refunded remaining unclaimed for four years after the principal of all Bonds to be Refunded has become due and payable shall then be paid to the Bond Fund established in the Bond Resolution and the holders of any Bonds to be Refunded not theretofore presented for payment shall thereafter be entitled to look only to the County for payment thereof and all liability of the Depository Trustee and any paying agent with respect to such moneys shall thereupon cease and this Depository Trust Agreement shall terminate. Any claims of the Depository Trustee against the County for amounts due the Depository Trustee pursuant to Sections 10 and 11 hereof shall survive the termination of this Depository Trust Agreement.

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

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

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

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

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

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

To the Depository

Trustee or the Trustee: U.S. Bank National Association  
101 North First Avenue, Suite 1600  
Phoenix, Arizona 85003  
Attention: Corporate Trust Services

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

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

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

(a) To the extent applicable under Arizona Revised Statutes ("A.R.S.") § 41-4401, the Depository Trustee, in its capacity as Depository Trustee hereunder, including its subcontractors who work on this Depository Trust Agreement, warrants compliance with all federal immigration laws and regulations that relate to its employees and compliance with the E verify requirements under A.R.S. § 23-214(A). The breach by the Depository Trustee of the foregoing shall be deemed a material breach by the Depository Trustee of this Depository Trust Agreement and may result in the termination of its role as Depository Trustee hereunder and its replacement with a successor in such capacity. The County retains the legal right to randomly inspect the papers and records of the Depository Trustee to ensure that the Depository Trustee is complying with the above-mentioned warranty. The Depository Trustee shall keep such papers and records open for random inspection by the County during normal business hours. The Depository Trustee shall cooperate with the random inspections by the County, including granting the County entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(b) Pursuant to A.R.S. §§ 35-391.06 and 35-393.06, the Depository Trustee certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this subsection, the term "scrutinized business operations" shall have the meanings set forth in A.R.S.

§§ 35-391 and 35-393, as applicable. If the County determines that the Depository Trustee submitted a false certification, the County may impose remedies as provided by law, including termination of its role as Depository Trustee hereunder and its replacement with a successor in such capacity.

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

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee and Depository Trustee

By: \_\_\_\_\_  
Vice President

PIMA COUNTY, ARIZONA

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

ATTEST:

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

APPROVED AS TO FORM:

SQUIRE SANDERS (US) LLP,  
Bond Counsel

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

[Signature page of Depository Trust Agreement]

**EXHIBIT A  
TO  
DEPOSITORY TRUST AGREEMENT**

**Bonds to be Refunded**

**General Obligation Bonds, Series \_\_\_\_\_**

<u>Maturity Date (July 1)</u>	<u>Outstanding Principal Amount</u>	<u>Principal Amount Refunded</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
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Bond Registrar and Paying Agent: \_\_\_\_\_

**EXHIBIT B  
TO  
DEPOSITORY TRUST AGREEMENT**

**ACQUIRED OBLIGATIONS**

<u>Type</u>	Maturity <u>Date</u>	<u>Par Amount</u>	<u>Coupon</u>	<u>Cost</u>
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**EXHIBIT C  
TO  
DEPOSITORY TRUST AGREEMENT**

**NOTICE OF ADVANCE REFUNDING**

**THIS IS NOT A NOTICE OF REDEMPTION. THIS NOTICE IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT REQUIRE OR SOLICIT THE PRESENTMENT TO SURRENDER OR EXCHANGE THE DESCRIBED BONDS AT THIS TIME.**

PIMA COUNTY, ARIZONA  
GENERAL OBLIGATION BONDS  
SERIES \_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_

<u>Maturity Dates Being Refunded</u>	<u>Outstanding Balance</u>	<u>Principal Balances Being Refunded</u>	<u>CUSIP (_____)</u>
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NOTICE IS HEREBY GIVEN that the above-referenced bonds have been refunded in advance of their stated maturity dates by the establishment of an irrevocable trust account with U.S. Bank National Association, as Trustee. According to a Report by Grant Thornton LLP, certified public accountants, the moneys and obligations issued or guaranteed by the United States of America, which have been deposited in the irrevocable trust are scheduled to provide funds in amounts sufficient to pay interest due on the bonds prior to their redemption date, and call for redemption and to redeem on their redemption date, the principal called for redemption plus the indicated redemption premium expressed as a percentage of the principal amount of the bonds redeemed, and accrued and unpaid interest due on the bonds.

The CUSIP Numbers provided are listed as a convenience only and the Depository Trustee does not certify as to their correctness or completeness.

Dated: \_\_\_\_\_, 2013.

U.S. BANK NATIONAL ASSOCIATION,  
as Depository Trustee

**EXHIBIT D  
TO  
DEPOSITORY TRUST AGREEMENT**

**DEBT SERVICE**

**Bonds to be Refunded**

<u>Payment Date</u>	<u>Principal Retired</u>	<u>Interest</u>	<u>Premium</u>	<u>Total</u>
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**SCHEDULE I**

**Costs and Expenses**

Payee

Amount

TOTAL:



### General Obligation Projects

Project ID	Project Name	Amount
CCD.HR4001	Housing Reinvestment 2004 Authorization	925,688
CCD.HR4008	Lessons From Civano Project	12,607
CCD.HR4010	Liberty Corners	6,323
CCD.HR4015	Esperanza En Escalante Veterans Housing Project	266,267
CCD.HR4016	Honea Heights Redevelopment Project	600,000
CCD.NR4000	Neighborhood Reinvestment 2004 Authorization	798,059
CCD.NR4048	Dunbar Springs - COT	5,711
CCD.NR4050	Toumey Park	5,000
CCD.NR4051	Wakefield Neighborhood Project - COT	200,000
CCD.NR4052	5 Points Business Coalition	448,440
CCD.NR4055	29th St Coalition Freedom Park	463,200
CDE.211047	Environmental Remediation - El Cmno del Cerro Landfill	370,000
CDE.2ECDRCR	El Cmno del Cerro LOU Project	185,371
CDE.2TIRER	Waste Tire Collection Site Relocation	400,000
CFC.4FPDLI	SCR Paseo de Las Iglesias Restoration USACOE	108,891
CFC.5FLPRA	Floodprone & Riparian Land Acq	310,745
CFC.5JWKRP	Julian Wash Kolb Rd Pathway Underpass	68,028
CFC.5SCRGF	SCR Grant Cmno del Cerro River Park Drainage Imprvmt	269,103
CFC.5SERAJ	SCR Flood Control Erosin Control & Linear Pk Ajo to 29	4,000,000
CFC.5UDPYT	Pasqua Yaqui Tribe Black Wash Urban Drainage Imprvmt	879
CFM.B14135	ADA Facility Accessibilty Projects	98,292
CFM.BCBLIB	Eckstrom Columbus Branch Library Expansion	451,713
CFM.BJUSCT	Downtown Court Complex	6,258,825
CFM.BJUSSC	8th Fl Superior Courts Additional Courtrooms	67,582
CFM.BPSYCH	Psychiatric Hospital	876,923
CFM.BTLEEC	Theresa Lee Hlth Clinic	754,550
CFM.BUA3AB	UA Abrams 3rd Floor Tenant Improvement	215,000
CFM.BUAMCP	University of Arizona South Campus Parking Garage	973,295
CFM.CRBLDG	Canoa Ranch Bldgs Rehabilitation	15,613
CFM.FTLOWL	Fort Lowell Acq	932,021
CFM.XRPBEX	Roy Place Bldg Facade Restoration Completion	22,442
CPR.OSPHIL	Painted Hills	3,361,456
CPR.OSSAHU	Town of Sahuarita Priorities	1,361,819
CPR.PARRCH	Arroyo Chico - COT	50,000
CPR.PATTUR	Atturbury Wash Sanctuary - COT	50,000
CPR.PBLSRD	Bicycle Ln on Sahuarita Rd	420,000
CPR.PCCPRK	Catalina Community Park	521,580
CPR.PHA1RR	Harrison Greenway at Rita Ranch	20,000
CPR.PHA3IP	Harrison Greenway Irvington to Pantano	20,000
CPR.PJULPK	Julian Wash Linear Park - COT	150,000
CPR.PNCMPK	Northside Community Park - COT	200,000
CPR.PRLINC	Lincoln Park Softball Field Improvements - COT	17,089
CPR.PRP361	SCR Park Irvington to Valencia	605,000
CPR.PRP371	SCR Community Park Menlo Pk - COT	19,150
CPR.PRP511	Lawrence Park Infrastructure Improvements	2,498
CPR.PRT231	Various Trail Acq Developments	60,667
CPR.PRUDAL	Udall Park Sports Field Improvements - COT	113,226
CPR.PSCOMP	SE Community Park - COT	350,000
CPR.PSHRNG	SE Regional Park Shooting Range	1,012
CPR.PTTSYS	Tortolita Trail System	160,000
CSD.SCOMMS	Regional Public Safety Communications System	20,992,849
CSD.SCOMOC	Communications Emergency Operations Center	217,873

### General Obligation Projects

Project ID	Project Name	Amount
CSD.STOPSC	Thomas O Price Service Center Communications Cntr Expan	376,021
CSU.AJOCUR	Ajo Curley School Art Institute	131,434
CSU.ATLANO	Anza Trail - Llano Grande Campsite	152,169
CSU.ATLMOR	Anza Trail - Los Morteros Campsite	351,214
CSU.ATOITP	Anza Trail - Oit Pars Campsite	33,787
CSU.CRBLDG	Canoa Ranch Bldgs Rehabilitation	6,335
CSU.CRGNRL	Canoa Ranch General - Repairs	880
CSU.DAKOTA	Dakota Wash Site Acq	22,730
CSU.FTLOWL	Fort Lowell Acq - Atkins Steel Acq	58,688
CSU.HONEYB	Honey Bee Village Site Acq	473
CSU.PANTOW	Pantano Townsite Preservation	6,962
CSU.TUMAMO	Tumamoc Hill Acq	54,520
	Total	50,000,000