



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: October 20, 2020

Title: RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF PIMA COUNTY, ARIZONA, STREET AND HIGHWAY REVENUE BONDS, IN ONE OR MORE SERIES, FOR THE PURPOSE OF IMPROVING, CONSTRUCTING, RECONSTRUCTING, ACQUIRING RIGHTS OF WAY FOR AND MAINTAINING COUNTY STREETS AND HIGHWAYS AND FOR REFUNDING CERTAIN OUTSTANDING STREET AND HIGHWAY REVENUE BONDS; PROVIDING FOR THE PAYMENT OF BONDS; PROVIDING TERMS, COVENANTS AND CONDITIONS CONCERNING THE BONDS; AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF DOCUMENTS AND FURTHER ACTIONS RELATING TO THE ISSUANCE OF THE BONDS AND THE REDEMPTION OF REFUNDED BONDS; APPOINTING AN INITIAL BOND REGISTRAR AND PAYING AGENT FOR THE BONDS; AND APPROVING AND RATIFYING ALL ACTIONS TAKEN IN FURTHERANCE OF THIS RESOLUTION.

Introduction/Background:

In November 1997, voters authorized Pima County to sell \$350,000,000 of Street and Highway Revenue Bonds for improving, constructing, reconstructing, acquiring rights of way for, and maintenance of County streets and highways.

Discussion:

This resolution authorizes staff to sell up to \$21,000,000 of Pima County Street and Highway Revenue Bonds to fund a variety of Transportation projects, including, but, not limited to, Broadway Boulevard, Euclid Avenue to Country Club; Houghton Road, I-10 to Golf Links; and 22nd Street, I-10 to Tucson Blvd.

Conclusion:

Voters approved the issuance of bonds for Transportation capital projects. Issuing these Street and Highway Revenue Bonds will provide bond funding for these projects.

Recommendation:

Staff recommends that the Board of Supervisors approve this resolution authorizing the sale of the Street and Highway Revenue Bonds.

Fiscal Impact:

The bond funding will be made available for the County's Transportation capital projects. These bonds will be repaid within 15 years by Transportation Fund Revenues

Board of Supervisor District:

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☒ All

Department: Finance and Risk Management

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Department Director Signature/Date:

Michelle Campagne 10/1/2020

Deputy County Administrator Signature/Date:

John 10/1/2020

County Administrator Signature/Date:

C. Bullock 10/5/20

RESOLUTION NO. 2020-____

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF PIMA COUNTY, ARIZONA, STREET AND HIGHWAY REVENUE BONDS, IN ONE OR MORE SERIES, FOR THE PURPOSE OF IMPROVING, CONSTRUCTING, RECONSTRUCTING, ACQUIRING RIGHTS OF WAY FOR AND MAINTAINING COUNTY STREETS AND HIGHWAYS AND FOR REFUNDING CERTAIN OUTSTANDING STREET AND HIGHWAY REVENUE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS; PROVIDING TERMS, COVENANTS AND CONDITIONS CONCERNING THE BONDS; AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF DOCUMENTS AND FURTHER ACTIONS RELATING TO THE ISSUANCE OF THE BONDS AND THE REDEMPTION OF REFUNDED BONDS; APPOINTING AN INITIAL BOND REGISTRAR AND PAYING AGENT FOR THE BONDS; AND APPROVING AND RATIFYING ALL ACTIONS TAKEN IN FURTHERANCE OF THIS RESOLUTION.

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

Section 1. Recitals, Findings and Conclusions.

(a) Pursuant to Title 11, Chapter 2, Article 12, Arizona Revised Statutes (the “Act”), and a special bond election held in and for Pima County, Arizona (the “County”), on November 4, 1997 (the “Bond Election”), a majority of the qualified electors of the County voting at the election authorized the issuance and sale by the County of \$350,000,000 aggregate principal amount of bonds for improving, constructing, reconstructing, acquiring rights of way for, and maintenance of County streets and highways (“County Street and Highway Projects”).

(b) Pursuant to the Act and Resolution Nos. 2012-24, 2013-108, 2014-126, No. 2016-30, No. 2017-101 and No. 2019-7 adopted by the Board of Supervisors of Pima County, Arizona (the “Board”) on April 10, 2012, December 3, 2013, December 16, 2014, April 19, 2016, December 19, 2017 and February 5, 2019, respectively (collectively, the “Outstanding Street and Highway Revenue Bond Resolutions”), the County has heretofore issued and has outstanding its Street and Highway Revenue Bonds, Series 2012 (the “2012 Bonds”), Street and Highway Revenue Bonds, Series 2014 (the “2014 Bonds”), Street and Highway Revenue Refunding Bonds, Series 2016 (the “2016 Bonds”), Street and Highway Revenue Bonds, Series 2018, (the “2018 Bonds”) and Street and Highway Revenue Bonds, Series 2019 (the “2019 Bonds” and, collectively with the 2012 Bonds, the 2014 Bonds, the 2016 Bonds and 2018 Bonds, the “Outstanding Street and Highway Revenue Bonds”) to finance or refinance County Street and Highway Projects.

(c) Under authority of the Bond Election and pursuant to the Outstanding Street and Highway Revenue Bond Resolutions, the Board has determined that it is necessary to issue additional Street and Highway Revenue Bonds as authorized in this Resolution (the “2020 Bonds”) in an aggregate principal amount (i) sufficient to provide not exceeding \$21,000,000 for County Street and Highway Projects, plus (ii) sufficient to refund the maturities of the Prior Bonds as described in the hereinafter-described Depository Trust Agreement (the “Bonds to be Refunded”),

in advance of their maturity, plus (iii) an amount to pay costs of issuance of such additional bonds. The Outstanding Street and Highway Revenue Bond Resolutions, as supplemented by this Resolution and as hereafter supplemented and amended, is herein referred to as the "Bond Resolution."

(d) The 2020 Bonds will be offered and sold either (i) directly to one or more banks submitting a lending proposal to the County (the "Purchaser"), or (ii) through an underwritten offering, to one or more firms then eligible to serve as underwriter for County obligations or to the winning bidder through a sealed bid offering (the "Underwriter"), in either case as determined by the Director of Finance and Risk Management of the County (the "Director of Finance"), to be the most advantageous to the County.

(e) The 2020 Bonds will be sold pursuant to one or more bond purchase agreements (collectively, the "Bond Purchase Agreement") between the County and the Purchaser or the Underwriter, as applicable, which (a) with respect to the sale of 2020 Bonds to a bank or banks pursuant to a lending proposal, shall be evidenced by the Purchaser's certificate and receipt, or (b) with respect to the sale of 2020 Bonds to the Underwriter through a negotiated underwritten offering, shall be evidenced by a bond purchase agreement between the County and the Underwriter in a form substantially the same as that used in connection with the sale of the 2019 Bonds or (c) with respect to the sale of 2020 Bonds to the Underwriter through a sealed bid offering, shall be evidenced by a notice of sale disseminated by the County in a form substantially the same as that used in connection with the most recent sealed bid sale of securities by the County, with appropriate changes to reflect the offering of 2020 Bonds.

Section 2. Authorization. The 2020 Bonds are hereby authorized to be issued and sold as "Pima County, Arizona, Street and Highway Revenue Bonds, Series 2020," in one or more series, bearing tax-exempt interest and/or taxable interest, pursuant to the Act in an aggregate principal amount (i) sufficient to provide not exceeding \$21,000,000 for County Street and Highway Projects, plus (ii) sufficient to refund the Bonds to be Refunded, plus (iii) an amount to pay costs of issuance of the 2020 Bonds. The series designation on the 2020 Bonds may change if they are not issued in calendar year 2020.

Section 3. Terms. The 2020 Bonds will be dated the date of initial delivery thereof and will bear interest at a rate or rates not exceeding the maximum rate authorized at the Bond Election, 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 2020 Bonds and payable on July 1, 2021, or such other date as provided in the Bond Purchase Agreement as executed and delivered, and semiannually thereafter on January 1 and July 1 during the term of the 2020 Bonds, all as provided in the Bond Purchase Agreement, as executed and delivered. Unless otherwise set forth in the Bond Purchase Agreement, the 2020 Bonds will be in the denomination of \$5,000 each or integral multiples thereof, in fully registered form. Interest will be paid on each interest payment date, and if a series of 2020 Bonds is sold to a Purchaser pursuant to a bank lending proposal, redemption or serial principal amounts of less than the full principal amount of a 2020 Bond will be paid, by check mailed by the Paying Agent (as defined herein) to each registered owner of the 2020 Bonds at the address shown on the registration book of the Registrar (as defined herein) on the Record Date (as described in Section 10 hereof), or by wire transfer (a) to any securities depository or, (b) if a series of 2020 Bonds is sold to a Purchaser pursuant to a bank lending proposal, such Purchaser, or, (c) 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

2020 Bonds. Principal of the 2020 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 2020 Bonds will mature on July 1 in any or all of the years not more than twenty (20) years from the date of the 2020 Bonds and in principal amounts, all as provided in the Bond Purchase Agreement, as executed and delivered. The principal amount of the 2020 Bonds, the principal amount maturing in each year, the interest rates applicable to each maturity, the redemption provisions, and any other final terms of the 2020 Bonds and the sale of the 2020 Bonds shall be as set forth in the Bond Purchase Agreement, as executed and delivered or approved, and such approval shall be evidenced by the execution and delivery of the Bond Purchase Agreement.

Section 4. Prior Redemption.

(a) Optional Redemption. Unless otherwise specified in the Bond Purchase Agreement, the 2020 Bonds are subject to redemption on any date on or after July 1, 2030, or such other date specified in the Bond Purchase Agreement, as executed and delivered, 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 2020 Bond called for redemption plus accrued interest to the date fixed for redemption, without premium.

(b) Notice of Redemption. Unless otherwise provided in the Bond Purchase Agreement, notice of redemption will be given by mail to the registered owners of the 2020 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 2020 Bond shall affect the regularity of the proceedings for redemption of any other 2020 Bond. If moneys for the payment of the redemption price and accrued interest are not held in a separate account by the County or by a paying agent or depository trustee 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.

(c) Effect of Call for Redemption. On the date designated for redemption by notice given as herein provided, the 2020 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such 2020 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 2020 Bonds or portions of 2020 Bonds so called for redemption shall cease to accrue, such 2020 Bonds shall cease to be entitled to any benefit or security hereunder and the owners of such 2020 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest and such 2020 Bonds shall be deemed paid and no longer outstanding.

(d) Redemption of Less Than All of a 2020 Bond. Unless otherwise provided in the Bond Purchase Agreement, the County may redeem a portion of any 2020 Bond in \$5,000 increments. In that event, the registered owner shall submit the 2020 Bond for partial redemption and the Paying Agent shall make such partial payment and the Registrar shall cause to be issued a new 2020 Bond in a principal amount which reflects the redemption so made to be authenticated and delivered to the registered owner thereof.

Section 5. Form of 2020 Bonds.

(a) The 2020 Bonds shall be in substantially the form of Exhibit A, attached hereto and incorporated by reference herein, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby or by the Bond Purchase Agreement and are approved by those officers executing the 2020 Bonds and the execution thereof by such officers shall constitute conclusive evidence of such approval.

(b) The 2020 Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each 2020 Bond shall show the date of its authentication and registration.

Section 6. Book Entry Only System.

(a) The 2020 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 2020 Bonds. One fully registered 2020 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 2020 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 2020 Bonds will not receive certificates representing their interests in the 2020 Bonds and will not be deemed to be registered owners of the 2020 Bonds.

(c) So long as the book entry only system is in operation, principal of and interest on the 2020 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 2020 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 2020 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 2020 Bonds one or more 2020 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.

(e) The provisions of this Section 6 shall not apply to a series of 2020 Bonds sold to a Purchaser pursuant to a bank lending proposal if the Purchaser requests that such 2020 Bonds be registered in its name.

Section 7. Execution of 2020 Bonds.

(a) The 2020 Bonds shall be executed for and on behalf of the County by the Chairman of the Board and attested by the Clerk of the Board by their manual or facsimile signatures.

(b) If an officer whose signature is on a 2020 Bond no longer holds that office at the time the 2020 Bond is authenticated and registered, the 2020 Bond shall nevertheless be valid.

(c) A 2020 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 2020 Bond has been authenticated and issued under this Resolution.

Section 8. Mutilated, Lost or Destroyed 2020 Bonds. In case any 2020 Bond becomes mutilated, destroyed or lost, the County shall cause to be executed and delivered a new 2020 Bond of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated 2020 Bond or in lieu of and in substitution for such 2020 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 2020 Bond destroyed or lost, upon the registered owner filing with the Clerk of the Board and the Registrar evidence satisfactory to the County and the Registrar that such 2020 Bond was destroyed or lost, and furnishing the County with a sufficient indemnity bond pursuant to Section 47-8405, Arizona Revised Statutes.

Section 9. Sale of 2020 Bonds.

(a) The Chairman of the Board, as the Board's representative, is hereby authorized to sell each series of 2020 Bonds either (i) directly to a Purchaser, or (ii) through to an underwritten offering, to the Underwriter, in either case as determined by the Director of Finance to be the most advantageous to the County, pursuant to the Bond Purchase Agreement.

(b) The Director of Finance or his or her designee is hereby authorized and directed to cause the 2020 Bonds to be delivered to the Purchaser or the Underwriter, as applicable, upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the terms of the Bond Purchase Agreement. If a series of 2020 Bonds is sold to a Purchaser pursuant to a bank lending proposal, the Bond Purchase Agreement may provide for additional restrictions on the transfer of such 2020 Bonds.

Section 10. Registrar and Paying Agent.

(a) The County will maintain an office or agency where 2020 Bonds may be presented for registration of transfer (the "Registrar") and an office or agency where 2020 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 2020 Bonds.

(b) Initially, U.S. Bank National Association will act as Registrar and Paying Agent with respect to the 2020 Bonds. The County may change the Registrar or Paying Agent without notice to or consent of owners of the 2020 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 2020 Bonds all money held by the Paying Agent for the payment of principal of and interest and any premium on the 2020 Bonds.

(d) The Registrar may appoint an authenticating agent acceptable to the County to authenticate 2020 Bonds. An authenticating agent may authenticate 2020 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 2020 Bonds, the registered owners of the 2020 Bonds and of transfers of the 2020 Bonds. When 2020 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 2020 Bonds registered in the name of the transferee of the same principal amount, maturity and rate of interest as the surrendered 2020 Bonds. Any 2020 Bond or 2020 Bonds may be exchanged at the designated office of the Registrar for a 2020 Bond or 2020 Bonds of the same maturity date and aggregate principal amount as the surrendered 2020 Bond or 2020 Bonds. The "Record Date" for the 2020 Bonds will be the close of business of the Registrar on the 15th day of the month preceding an interest payment date. The 2020 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 2020 Bonds of each series for original issue up to an aggregate principal amount provided in the Bond Purchase Agreement upon the written request of the Director of Finance or his or her designee. The aggregate principal amount of 2020 Bonds outstanding at any time may not exceed that amount except for replacement 2020 Bonds as to which the requirements of the Registrar and the County are met.

Section 11. 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. In connection with the refunding of the Bonds to be Refunded, the County will enter into one or more Depository Trust Agreements (each a "Depository Trust Agreement") with the Depository Trustee. The Chairman of the Board is hereby authorized and directed to execute and deliver the Depository Trust Agreement in a form substantially the same as that used in connection with the sale of the 2016 Bonds and to do all such acts and things necessary to carry out the terms and intent of the Depository Trust Agreement.

Section 12. Call for Redemption of Bonds to be Refunded. The County does hereby exercise its right to redeem, and does hereby call for redemption (subject to the delivery of the Bonds) on the first available redemption dates, each maturity of the Bonds to be Refunded, as provided in the Depository Trust Agreement, as executed and delivered.

Section 13. Payment of the 2020 Bonds:

(a) The 2020 Bonds and interest thereon shall be payable solely from the revenues received by the County from highway user taxes, including motor vehicle fuel taxes, and all other taxes, fees, charges or other monies returned to the County pursuant to Title 28, Chapter 18, Article 2 and Section 42-6107, Arizona Revised Statutes, and amounts received by the County

from the State of Arizona vehicle license tax pursuant to Subsections (A)(2)(b) and (B)(2)(b) of Section 28-5808, Arizona Revised Statutes, or any successor or replacement statutes that restrict the use of such amounts to street and highway or transportation purposes (the “Pledged Revenues”), on a parity with the Outstanding Street and Highway Revenue Bonds and such additional bonds or other obligations (“Additional Parity Bonds” and, collectively with the Outstanding Street and Highway Revenue Bonds and the 2020 Bonds, the “Parity Bonds”) hereafter issued on a parity therewith. The 2020 Bonds shall not constitute a debt or general obligation of the County within the meaning of any constitutional or statutory debt limitation, nor shall payment of the 2020 Bonds or interest or redemption premiums thereon be enforceable out of any funds other than the revenues pledged to such payment nor shall any owner of any 2020 Bond have the right to compel any exercise of the taxing power of the County to make such payment. The County shall comply with any requirements imposed by law to maintain its eligibility for and right to receive such funds. During each year in which any of the 2020 Bonds or any Parity Bonds remain outstanding and not fully paid or provided for, there shall be set aside in a separate fund designated the “Pima County Street and Highway Revenue Bond Fund” (the “Bond Fund”) established in the 1998 Bond Resolution and continued herein, from the Pledged Revenues received during such year, an amount sufficient to pay the interest and principal upon the Parity Bonds next due. The Bond Fund shall be held as a special trust fund, the beneficial interest in which shall be in the holders from time to time of the Parity Bonds then outstanding.

(b) On or before the third Monday of each month, commencing with the month following the month in which the 2020 Bonds are issued and delivered unless otherwise set forth in the Bond Purchase Agreement, there shall be transferred from the Pledged Revenues received to the Bond Fund moneys in an amount necessary to accumulate in equal monthly amounts the interest due on the next January 1 or July 1, as applicable, and thereafter in each month an amount equal to one-sixth ($1/6$) of the next ensuing semi-annual interest payment on the Parity Bonds until the amount in the Bond Fund and available to pay interest is sufficient to pay the next ensuing interest payment on the Parity Bonds.

(c) On or before the third Monday of each month there shall be transferred from the Pledged Revenues received to the Bond Fund moneys in an amount necessary to accumulate in equal monthly amounts equal to one-twelfth ($1/12$) of the principal amount becoming due on the next principal payment date on the Parity Bonds until the amount in the Bond Fund and available to pay principal is sufficient to pay the next ensuing principal payment on the Parity Bonds.

(d) Amounts in the Bond Fund shall be used solely for the payment of principal of and interest on the Parity Bonds when due. It shall be the duty of the County to cause to be transferred to the Paying Agent prior to the date or dates on which such principal or interest fall due, such amount as, to the extent of the money in the Bond Fund, will be sufficient to pay all principal and interest falling due on such date or dates, and it shall be the duty of the Paying Agent to assure, to the extent of the money so transferred to the Paying Agent, prompt payment of the principal of and interest on the Parity Bonds.

(e) After all payments and transfers shall have been made to the Bond Fund as provided in this Section and any deficiencies in any such transfer or transfers which may exist from any previous year have been remedied, all remaining Pledged Revenues shall constitute

available revenues and may be used by the County for any lawful purpose. If at any time the moneys in the Bond Fund are not sufficient to make the transfers required, any such deficiency shall be made up from the first Pledged Revenues thereafter received and available for such transfers under the terms of the Bond Resolution, and the transfer of any such sum or sums to said fund or accounts as may be necessary to make up any such deficiency shall be in addition to the then-current transfers required to be made pursuant to the Bond Resolution.

Section 14. Resolution a Contract. This Resolution shall constitute a contract between the County and the registered owners of the 2020 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 2020 Bonds then outstanding.

Section 15. Additional Parity Bonds.

(a) The County covenants and agrees with the holders of the 2020 Bonds that, so long as any 2020 Bonds remain outstanding and the principal and interest thereon shall be unpaid or unprovided for, it will not further encumber the Pledged Revenues on a basis equal to the pledge for payment of 2020 Bonds payable from the Pledged Revenues unless (i) the amount of Pledged Revenues received by the County in the twelve (12) month period immediately preceding the issuance of the proposed Additional Parity Bonds, as shown by a certificate of the Director of Finance or his or her designee, equals not less than two times the maximum annual debt service on all such Parity Bonds then outstanding and the Additional Parity Bonds proposed to be issued; (ii) all payments and deposits with respect to the Parity Bonds then outstanding are current; and (iii) no obligation payable from the Pledged Revenues is in default as to either principal or interest.

(b) Subject to the foregoing, and to the other terms and conditions set forth herein, the County shall have the right to issue Additional Parity Bonds. This Resolution does not place any restriction on the County incurring additional payment obligations payable from the Pledged Revenues so long as those payment obligations are subject and subordinated to the County's payment obligations with respect to the 2020 Bonds and other Parity Bonds.

Section 16. Amendments.

(a) The County may, without the consent of or notice to any of the owners of 2020 Bonds, amend, supplement or modify the provisions of this Resolution or the Bond Resolution for one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission herein or to correct or supplement any provision herein which may be inconsistent with any other provision herein; (ii) to grant or confer upon the owners of 2020 Bonds any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them; (iii) to secure additional revenues or provide additional security or reserves for payment of the 2020 Bonds; (iv) to comply with the requirements of any state or federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder; (v) to permit, if lawful, the issuance of 2020 Bonds in book entry form not evidenced by physical certificates, or 2020 Bonds in bearer form if, in the opinion of nationally recognized bond counsel received by the County, such action will not cause the interest on any 2020 Bonds to become includable in gross income for purposes of federal income taxes; (vi) to

preserve the exclusion of the interest on 2020 Bonds from gross income for purposes of federal or State income taxes and to preserve the power of the County to continue to issue bonds or other obligations (specifically not limited to the 2020 Bonds authorized hereby) the interest on which is likewise exempt from federal and State income taxes; (vii) to make any other change or amendment hereto which does not materially adversely affect the interests of any owner of any 2020 Bond; (viii) to provide for the refunding or advance refunding of any 2020 Bonds, including the right to establish and administer an escrow fund and to take related action in connection therewith; (ix) to provide for the issuance of Parity Bonds as permitted by the provisions of this Resolution or the Bond Resolution; and (x) to make provisions and amendments applicable only to 2020 Bonds sold or remarketed on the basis of the effectiveness of those provisions or amendments with respect to those 2020 Bonds, or applicable only to 2020 Bonds the owners of which are given reasonable notice of the proposed provisions or amendments and have the opportunity to tender their 2020 Bonds for purchase prior to the effective date of the provisions or amendments.

(b) Other than amendments, supplements or modifications referred to in subsection (A) above and subject to the terms and provisions and limitations contained in this subsection (B) and not otherwise, the owners of not less than a majority in principal amount of the 2020 Bonds then outstanding, shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to consent to and approve the effectiveness of such amendments, supplements and modifications to this Resolution or the Bond Resolution as shall be deemed necessary and desirable by the County for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein; provided, however, that nothing in this subsection (B) shall permit or be construed as permitting an amendment, supplement or modification which would: (i) extend the stated maturity of or time for paying interest on any 2020 Bond or reduce the principal amount of or the redemption premium or rate of interest payable on any 2020 Bond without the consent of the owner of such 2020 Bond; (ii) prefer or give a priority to any 2020 Bond over any other 2020 Bond without the consent of the owner of each 2020 Bond then outstanding not receiving such preference or priority; (iii) reduce the principal amount of 2020 Bonds then outstanding the consent of the owners of which is required to authorize such amendment, supplement or modification without the consent of the owners of all 2020 Bonds then outstanding; (iv) reduce the redemption price of any 2020 Bond upon optional redemption or reduce any period of time prior to commencement of any optional redemption period without the consent of the owner of such 2020 Bond; or (iv) reduce the tender price payable or extend the time of payment of the purchase price of any 2020 Bond upon optional or mandatory tender for purchase.

(c) When the County determines that the requisite consents have been obtained for an amendment, supplement or modification requiring consent of the owners of 2020 Bonds, the County shall date and file a certificate to that effect in its records and shall notify the registrars and paying agents for all 2020 Bonds. Such determination shall be conclusive and no action or proceeding to invalidate the amendment, supplement or modification shall be instituted or maintained unless commenced within 60 days after the filing of such certificate. Upon the filing of such certificate, the amendment, supplement or modification shall become effective without liability or responsibility to any owner of any 2020 Bond, whether or not such owner shall have consented thereto. Consent of owners of 2020 Bonds may be evidenced by such 2020 Bonds being sold or remarketed on the basis of the effectiveness of the proposed amendment, amendment,

supplement or modification or modification or in any other manner in accordance with subsection (B) hereof. If the amendment, supplement or modification will not take effect so long as any particular 2020 Bonds remain outstanding, the consent of the owners of such 2020 Bonds shall not be required and such 2020 Bonds shall not be deemed to be outstanding for the purpose of determining the required consents. It shall not be necessary for the consent of the owners of 2020 Bonds to approve the particular form of any proposed amendment, supplement or modification, but it shall be sufficient if consent is given to the substance thereof. Any such consent shall be binding upon the owner of the 2020 Bond giving such consent and upon any subsequent owner of such 2020 Bond and of any 2020 Bond issued in exchange therefor, whether or not such subsequent owner thereof has notice thereon, unless such consent is revoked in writing by the owner of such 2020 Bond giving such consent or by a subsequent owner thereof by filing such revocation in writing with the County, prior to the effectiveness of such amendment, supplement or modification. If the owners of the required amount or number of the 2020 Bonds outstanding shall have consented to and approved the execution of such amendment, supplement or modification as herein provided, no owner of any 2020 Bond shall have any right to object to the execution thereof, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the effectiveness thereof, or to enjoin or restrain the County from taking any action pursuant to the provisions thereof. In making any amendment, supplement or modification permitted by this Section, the County shall be entitled to rely upon an opinion of nationally recognized bond counsel stating that the effectiveness of such amendment, supplement or modification is authorized or permitted hereby. Upon the execution and delivery of any amendment, supplement or modification in accordance with this Section, the provisions hereof shall be modified in accordance therewith and such Amendment, supplement or modification shall form a part hereof for all purposes and every owner of a 2020 Bond theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 17. Providing for Payment of Bonds. If payment of all principal of, premium, if any, and interest on all of the 2020 Bonds in accordance with their terms and as provided herein is made, or is provided for in accordance with this Section, then the pledge of the Pledged Revenues granted for the 2020 Bonds shall cease. The County may at any time surrender to the Registrar for cancellation any 2020 Bonds previously authenticated and delivered which the County may have acquired in any manner whatsoever and such 2020 Bonds upon such surrender and cancellation shall be deemed to be paid and retired. Any 2020 Bond or portion thereof in authorized denominations may be deemed paid and defeased in accordance with this Section. Any 2020 Bond or portion thereof shall be deemed paid and defeased: (i) if there is deposited with a bank or comparable financial institution, in trust, moneys or obligations issued by or guaranteed by the United States Government ("Defeasance Obligations") or both which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay the principal of and interest and any premium on such 2020 Bond or portion thereof as the same matures, comes due or becomes payable upon prior redemption, and (ii) if such defeased 2020 Bond or portion thereof is to be redeemed, notice of such redemption has been given in accordance with provisions thereof or the County has submitted to the registrar instructions expressed to be irrevocable as to the date upon which such 2020 Bond or portion thereof is to be redeemed and as to the giving of notice of such redemption. 2020 Bonds the payment of which has been provided for in accordance with this Section shall no longer be deemed outstanding hereunder or secured hereby and thereafter such 2020 Bonds shall be entitled to payment only from the moneys or Defeasance Obligations deposited to provide for the payment of such 2020 Bonds.

Section 18. Use of Proceeds.

(a) Premium received for the 2020 Bonds shall be deposited in the Bond Fund in an amount specified by the Director of Finance or his or her designee.

(b) If any of the Bonds to be Refunded are to be refunded with proceeds from the sale of the 2020 Bonds, as determined by the Director of Finance or his or her designee, such amount as shall be required by the Depository Trust Agreement 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) The balance of the proceeds from the sale of the 2020 Bonds shall be set aside in a separate special fund and used, to the extent not paid by the Depository Trustee, solely for the purpose approved by the electors of the County at the Bond Election.

(d) Pending any disbursement(s) as set forth in subsection A above, the County Treasurer is directed to invest the proceeds from the sale of the 2020 Bonds in the State Treasurer's Local Government Investment Pool (LGIP); provided, however, that the County, acting through the Director of Finance or his or her designee, 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 19. Tax Covenants.

(a) The County recognizes that the purchasers and owners of any 2020 Bonds intended by the County to be issued bearing tax-exempt interest (the "Tax-Exempt 2020 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 Tax-Exempt 2020 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 Tax-Exempt 2020 Bonds in such manner and to such extent as may be necessary so that (i) the Tax-Exempt 2020 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 Tax-Exempt 2020 Bonds will not be an item of tax preference under Section 57 of the Code. For purposes of this Section 18, 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 Tax-Exempt 2020 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 Tax-Exempt 2020 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 of to the federal government as required under the Tax Compliance Certificate of the County, to be dated as of the date of issuance of the Tax-Exempt 2020 Bonds (the "Tax Compliance Certificate") relating to the Tax-Exempt 2020 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 or his or her 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 Tax-Exempt 2020 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 Tax-Exempt 2020 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 Tax-Exempt 2020 Bonds; and (iii) give one or more appropriate certificates, for inclusion in the transcript of proceedings for the Tax-Exempt 2020 Bonds, setting forth the reasonable expectations of the County regarding the amount and use of all the proceeds of the Tax-Exempt 2020 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 Tax-Exempt 2020 Bonds.

(d) The County authorizes the creation by the Director of Finance or his or her 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 or his or her 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 Tax-Exempt 2020 Bonds herein authorized or 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 Tax-Exempt 2020 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 Tax-Exempt 2020 Bonds are delivered. In this connection, the County agrees that it will not take any action to permit the Tax-Exempt 2020 Bonds to be issued in, or converted into, bearer or coupon form if such action would cause interest on the Tax-Exempt 2020 Bonds to be included in gross income for federal income tax purposes.

Section 20. Continuing Disclosure Undertaking. If the 2020 Bonds are the subject of an underwritten offering, the County recognizes that the Underwriter of the 2020 Bonds may be 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 2020 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 2020 Bonds, and a Continuing Disclosure Undertaking, which will be in substantially the form entered into by the County in connection with the issuance of the 2019 Bonds with such changes as are approved by the Director of Finance, is hereby approved. The Director of Finance or his or her 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 21. Official Statement. If the 2020 Bonds are sold through an underwritten offering, the Director of Finance or his or her 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 2020 Bonds, which will be in substantially the form distributed by the County in connection with the sale of the 2019 Bonds with such changes as are approved by the Director of Finance or his or her designee, and a final Official Statement (the “Official Statement”) relating to the original issuance of the 2020 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 or his or her designee. If and to the extent applicable, the Director of Finance or his or her 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 2020 Bonds is hereby authorized, ratified, confirmed and approved. The Chairman or any member of the Board, the County Administrator of the County and the Director of Finance or his or her 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 2020 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 22. Other Actions. From and after the execution and delivery of the Bond Purchase Agreement in definitive form by the County and the other parties thereto, as required, the officers, agents and employees of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such agreements, documents, instruments and certificates as may be necessary to carry out and comply with the provisions thereof, including but not limited to the execution of tax compliance certificates or any other such document necessary in relation to the tax-exempt status of any series of Tax-Exempt 2020 Bonds intended by the County to be executed and delivered bearing tax-exempt interest or otherwise required by the Bond Purchase Agreement.

Section 23. 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 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 2020 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 24. 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 2020 Bonds as contemplated by this Resolution whether heretofore or hereafter taken shall be and are hereby ratified, confirmed and approved. The proper officers and agents of the County are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the County as may be necessary to carry out the terms and intent of this Resolution.

[Remainder of page left blank intentionally.]

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of Pima County,
Arizona, on _____, 2020.

PIMA COUNTY, ARIZONA

By: _____
Chairman, Board of Supervisors

ATTEST:

By: _____
Clerk, Board of Supervisors

APPROVED AS TO FORM:

SQUIRE PATTON BOGGS (US) LLP
Bond Counsel

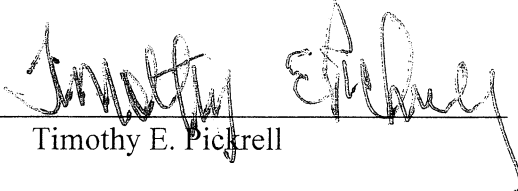
By: 
Timothy E. Pickrell

EXHIBIT A TO RESOLUTION NO. 2020-

FORM OF BOND

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

PIMA COUNTY, ARIZONA
STREET AND HIGHWAY REVENUE BONDS
SERIES 2020

Number: _____

Denomination:
\$ _____

Interest Rate

Maturity Date

Original Issue Date

CUSIP

July 1, 20__

_____, 2020

721882 ____

Registered Owner: CEDE & CO.

Principal Amount: _____ AND NO/100 DOLLARS

PIMA COUNTY, ARIZONA (the "County"), for value received, hereby promises to pay, solely from the sources hereinafter described, 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, from such sources, 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 _____ 1, 20__, 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 as explained herein 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 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 refund certain outstanding street and highway revenue bonds of the County and to provide funds to make those certain street and highway improvements approved by a majority vote of qualified electors voting an election duly called and held in and for the County on November 4, 1997 pursuant to resolutions of the Board of Supervisors of the County (the "Board of Supervisors") duly adopted prior to the issuance hereof and pursuant to the Constitution and laws of the State of Arizona.

This bond is issued under the laws of Arizona, including specifically Title 11, Chapter 2, Article 12 of the Arizona Revised Statutes (the "Act"), and Resolutions adopted by the Board of Supervisors on April 10, 2012, December 3, 2013, December 16, 2014, April 19, 2016, December 19, 2017, February 5, 2019 and October 20, 2020 (collectively, the "Bond Resolution"). Reference is hereby made to the Act and the Bond 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 and interest thereon shall be payable solely from the revenues received by the County from highway user taxes, including motor vehicle fuel taxes, and all other taxes, fees, charges or other monies returned to the County pursuant to returned to the County pursuant to Title 28, Chapter 18, Article 2 and Section 42-6107, Arizona Revised Statutes, and amounts received by the County from the State of Arizona vehicle license tax pursuant to Subsections (A)(2)(b) and (B)(2)(b) of Section 28-5808, Arizona Revised Statutes, or any successor or replacement statutes that restrict the use of such amounts to street and highway or transportation purposes (the "Pledged Revenues") on a parity of lien with certain outstanding bonds of the County and such additional bonds or obligations as may hereafter be issued on a parity therewith. The bonds shall not constitute a debt or general obligation of the County within the meaning of any constitutional or statutory debt limitation, nor shall payment of the bonds or interest or redemption premiums thereon be enforceable out of any funds other than the Pledged Revenues nor shall any owner of any bond have the right to compel any exercise of the taxing power of the County to make such payment. The County may issue additional bonds or obligations payable from the Pledged Revenues, on a parity with the bonds, upon satisfaction of the conditions set forth in the Act and the Bond Resolution.

Bonds maturing on or before July 1, 20__ are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after July 1, 20__re subject to 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 Bond 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 authorizing 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. 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 authorizing issuance of the Bonds.

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.

The County has caused this bond to be executed by the Chairman of the Board of Supervisors and attested by the Clerk of the 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, Street and Highway Revenue Bonds, Series 2020, described in the Bond Resolution mentioned herein.

Date of Authentication: _____, 2020

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By: _____
Authorized Representative

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED, the undersigned 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.