



**DEFEASANCE  
OF  
\$16,015,000  
PIMA COUNTY, ARIZONA  
GENERAL OBLIGATION BONDS**

**Made up of**

**\$14,815,000  
PIMA COUNTY, ARIZONA  
GENERAL OBLIGATION BONDS, SERIES  
2005**

**\$1,200,000  
PIMA COUNTY, ARIZONA  
GENERAL OBLIGATION BONDS, SERIES  
2007**

**Closing: January 29, 2014**



**DEFEASANCE  
OF  
\$16,015,000  
PIMA COUNTY, ARIZONA  
GENERAL OBLIGATION BONDS**

**Made up of**

**\$14,815,000  
PIMA COUNTY, ARIZONA  
GENERAL OBLIGATION BONDS,  
SERIES 2005**

**\$1,200,000  
PIMA COUNTY, ARIZONA  
GENERAL OBLIGATION BONDS,  
SERIES 2007**

**Closing Date: January 29, 2014**

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**LIST OF PROCEEDINGS**

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**TERMS AND PARTIES:**

County	-	Pima County, Arizona
Financial Advisor	-	RBC Capital Markets, LLC
Depository Trustee	-	U.S. Bank National Association
Bond Counsel	-	Squire Sanders (US) LLP

**Item No.**

**DOCUMENTS:**

- 1 Certificate of the Clerk of the County Board of Supervisors evidencing adoption of Resolution No. 2013-110, authorizing the prepayment or redemption of certain Outstanding General Obligation Bonds of the County with County funds, and execution and delivery of the Depository Trust Agreement
- 2 Certificate and Receipt of Depository Trustee

**Item No.**

- 3        Depository Trust Agreement, dated as of January 1, 2014, between the County and the Depository Trustee, providing for the prepayment and defeasance of \$16,015,000 aggregate principal amount of General Obligation Bonds, made up of \$14,815,000 General Obligation Bonds, Series 2005 (the “Series 2005 Refunded Bonds”) and \$1,200,000 General Obligation Bonds, Series 2007 (the “Series 2007 Refunded Bonds”)
- 4        Material Events Notices
- 5        Settlement Instructions, prepared by the Financial Advisor
- 6        Confirmation for United States Treasury Securities
- 7        Final numbers from the Financial Advisor
- 8        Copies of the 8038-G’s for the Series 2005 Refunded Bonds and Series 2007 Refunded Bonds

**DISTRIBUTION OF TRANSCRIPTS:**

Transcripts containing executed counterparts or photocopies of the closing documents are to be distributed by Bond Counsel at or following the Closing as follows:

Pima County, Arizona	1 hard copy
RBC Capital Markets, LLC	1 hard copy
U.S. Bank National Association	1 hard copy
Squire Sanders (US) LLP	1 hard copy

# *Certificate of Clerk*

*Board of Supervisors of Pima County, Arizona*

*State of Arizona*

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

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

*I further certify that the attached resolution entitled*

RESOLUTION NO. 2013 - 110

(See attached copy)

*is a true and correct copy of a resolution passed and adopted by the Board of Supervisors of Pima County, Arizona, at a meeting held on the 3rd day of December, 2013, at which a quorum was present, and that the original resolution is officially of record in my possession.*

*In Witness Whereof, I have hereunto set my hand and affixed the seal of the Board of Supervisors of Pima County, Arizona, this 21st day of January, 2014.*

*Robin Brigode*  
\_\_\_\_\_  
*Clerk*

**RESOLUTION NO. 2013-110**

**RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA AUTHORIZING THE PREPAYMENT OR REDEMPTION OF CERTAIN OUTSTANDING BONDS WITH COUNTY FUNDS; AUTHORIZING THE APPOINTMENT OF A DEPOSITORY TRUSTEE; AUTHORIZING THE EXECUTION OF A DEPOSITORY TRUST AGREEMENT AND OTHER NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS IN CONNECTION WITH THE PREPAYMENT OR REDEMPTION OF SUCH BONDS; AND AUTHORIZING OTHER ACTIONS AND MATTERS IN CONNECTION THEREWITH.**

WHEREAS, pursuant to Title 35, Chapter 3, Articles 3 and 4, Arizona Revised Statutes (the "Act"), Pima County, Arizona (the "County") has issued and currently has outstanding certain of its 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, General Obligation Refunding Bonds, Series 2012B, General Obligation Bonds, Series 2013A and General Obligation Refunding Bonds, Series 2013B (collectively, the "Prior Bonds"); and

WHEREAS, in the event the County deems it prudent and advisable to prepay or redeem any outstanding Prior Bonds from time to time prior to the payment dates thereof, it may be necessary for the County and U.S. Bank National Association, as depository trustee (the "Depository Trustee"), to execute and deliver one or more Depository Trust Agreements (each a "Depository Trust Agreement"); and

WHEREAS, the County has determined that it is advantageous and in the public interest to approve the prepayment or redemption of any outstanding Prior Bonds from time to time prior to the payment dates thereof in order to secure the financial advantages for the County:

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

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

2. From and after the execution and delivery of the County Documents in definitive form by the County and the other parties thereto, as required, the officers, agents and employees of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such agreements, documents, instruments and certificates as may be necessary or

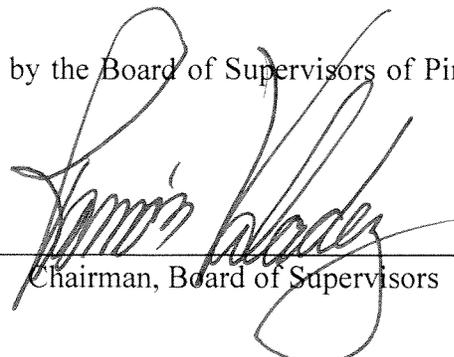
desirable in connection with the execution and delivery of the County Documents or the prepayment or redemption of the Prior Bonds, including, without limitation, calling for redemption Prior Bonds for which payments are being provided and directing the transfer of County funds to the Depository Trustee for the purpose of such prepayment or redemption.

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

[Remainder of page left blank intentionally]

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

By: \_\_\_\_\_

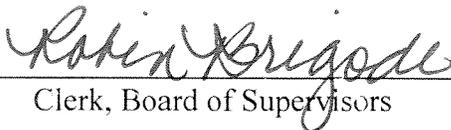


Chairman, Board of Supervisors

DEC 03 2013

ATTEST:

By: \_\_\_\_\_

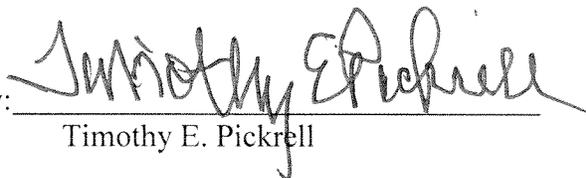


Clerk, Board of Supervisors

APPROVED AS TO FORM:

SQUIRE SANDERS (US) LLP,  
Bond Counsel

By: \_\_\_\_\_



Timothy E. Pickrell

**DEFEASANCE  
OF  
\$16,015,000  
PIMA COUNTY, ARIZONA  
GENERAL OBLIGATION BONDS**

**Made up of**

**\$14,815,000  
PIMA COUNTY, ARIZONA  
GENERAL OBLIGATION BONDS,  
SERIES 2005**

**\$1,200,000  
PIMA COUNTY, ARIZONA  
GENERAL OBLIGATION BONDS,  
SERIES 2007**

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**CERTIFICATE AND RECEIPT OF DEPOSITORY TRUSTEE**

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The undersigned duly qualified and acting officer of U.S. Bank National Association (the "Depository Trustee"), in its capacity as depository trustee under the Depository Trust Agreement, dated as of January 1, 2014 (the "Depository Trust Agreement"), by and between Pima County, Arizona (the "County") and the Depository Trustee, relating to (i) \$14,815,000 aggregate principal amount of General Obligation Bonds, Series 2005, maturing in the years and in the amounts set forth on Exhibit A-1 of the Depository Trust Agreement, the payment of which is being provided for on the date hereof; and (ii) \$1,200,000 aggregate principal amount of General Obligation Bonds, Series 2007, maturing in the year and in the amount set forth on Exhibit A-2 of the Depository Trust Agreement, the payment of which is being provided for on the date hereof, hereby certifies as follows:

1. The officer signing below is duly authorized to execute documents on behalf of the Depository Trustee.

2. The Depository Trustee is a national banking association duly organized and validly existing under the laws of the United States of America and is duly qualified to engage in trust business in Arizona. Attached hereto as Exhibit A is true, correct and complete of the bylaws of the Depository Trustee, together with the signing authority resolution of the Depository Trustee adopted pursuant thereto demonstrating the authority of the Depository Trustee and the authority of the undersigned to act on behalf of the Depository Trustee. Said bylaws and resolution were in effect on the date that such officer acted and remain in full force and effect on the date hereof.

3. The Depository Trustee has all necessary power and authority to enter into and carry out its obligations as depository trustee under the Depository Trust Agreement, and has duly authorized, executed and delivered the Depository Trust Agreement.

4. The Depository Trustee has received \$16,995,402.23 from the County and has deposited the same in accordance with the provisions of the Depository Trust Agreement.

[Remainder of page intentionally left blank.]

DATED: January 29, 2014

U.S. BANK NATIONAL ASSOCIATION, as  
Depository Trustee

By:   
Its: Vice President



**U.S. BANK NATIONAL ASSOCIATION  
ASSISTANT SECRETARY CERTIFICATE**

I, Melissa S. Larson, an Assistant Secretary of U.S. Bank National Association, hereby certify that the following is a true and exact extract from the Bylaws of U.S. Bank National Association, a national banking association organized under the laws of the United States.

**ARTICLE VI.  
CONVEYANCES, CONTRACTS, ETC.**

All transfers and conveyances of real estate, mortgages, and transfers, endorsements or assignments of stock, bonds, notes, debentures or other negotiable instruments, securities or personal property shall be signed by any elected or appointed officer.

All checks, drafts, certificates of deposit and all funds of the Association held in its own or in a fiduciary capacity may be paid out by an order, draft or check bearing the manual or facsimile signature of any elected or appointed officer of the Association.

All mortgage satisfactions, releases, all types of loan agreements, all routine transactional documents of the Association, and all other instruments not specifically provided for, whether to be executed in a fiduciary capacity or otherwise, may be signed on behalf of the Association by any elected or appointed officer thereof.

The Secretary or any Assistant Secretary of the Association or other proper officer may execute and certify that required action or authority has been given or has taken place by resolution of the Board under this Bylaw without the necessity of further action by the Board.

I further certify the following officers of U.S. Bank National Association have been duly appointed and qualified officers of the Association authorized to act under Article VI of the Bylaws of the Association and that such authority is in full force and effect as of the date hereof and have not been modified, amended or revoked.

Mary J. Ambriz-Reyes  
Keith N. Henselen  
Robert L. Von Hess

Vice President  
Vice President  
Vice President

Michelle A. Knutson  
Linda Y. Riley

Trust Officer  
Trust Officer

IN WITNESS WHEREOF, I have set my hand this 5<sup>th</sup> day of November, 2013.

(No corporate seal)

Melissa S. Larson, Assistant Secretary

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**DEPOSITORY TRUST AGREEMENT**

between

**PIMA COUNTY, ARIZONA**

and

**U.S. BANK NATIONAL ASSOCIATION**

as Depository Trustee

Dated as of January 1, 2014

providing payment for certain

**PIMA COUNTY, ARIZONA**

**GENERAL OBLIGATION BONDS, SERIES 2005**

and

**GENERAL OBLIGATION BONDS, SERIES 2007**

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## DEPOSITORY TRUST AGREEMENT

THIS DEPOSITORY TRUST AGREEMENT, dated as of January 1, 2014 (this "Agreement"), between PIMA COUNTY, ARIZONA (the "County") and U.S. BANK NATIONAL ASSOCIATION, as Depository Trustee (the "Depository Trustee" or the "Trustee"),

### WITNESSETH:

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

WHEREAS, the County, by a resolution adopted on December 3, 2013 (the "Bond Resolution"), has authorized (i) the application of County moneys to provide for the payment of the Escrowed Bonds in advance of their maturities and related costs and (ii) to provide for the redemption of a portion of the Escrowed Bonds as identified on Exhibits A-1 and A-2 (the "Bond Proceeds"); and

WHEREAS, pursuant to the Bond Resolution, the County has caused to be purchased 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, if any, and interest on the Escrowed Bonds as such become due and to redeem a portion of the Escrowed Bonds on the respective dates specified in Exhibits A-1 and A-2 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 Escrowed Bonds; and

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

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:

"2005 Escrowed Bonds" means a portion of the County's General Obligation Bonds, Series 2005, identified on Exhibit A-1 attached hereto.

"2007 Escrowed Bonds" means a portion of the County's General Obligation Bonds, Series 2007, identified on Exhibit A-2 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 January 1, 2014, 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.

“Escrowed Bonds” means, collectively, the 2005 Escrowed Bonds and the 2007 Escrowed Bonds.

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

“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.

**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 Escrowed Bonds, 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 \$16,995,402.23. The Depository Trustee shall deposit \$29,507.00 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 \$0.23, 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 Escrowed Bonds 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 Escrowed Bonds; Notices.**

(a) The Depository Trustee is hereby irrevocably authorized and directed to remit to the Paying Agent for the Escrowed Bonds in sufficient time to make payments of principal, premium, if any, and interest on the Escrowed Bonds, when due, the respective amounts due on such payment dates for the Escrowed Bonds in accordance with Exhibits D-1 and D-2 attached

hereto. The Paying Agent for the Escrowed Bonds is set forth on Exhibits A-1 and A-2 attached hereto.

(b) The Depository Trustee is also authorized and directed to mail notice of the advance refunding of the 2005 Escrowed Bonds, in substantially the form set forth as Exhibit C-1 attached hereto, to each registered owner of a 2005 Escrowed Bond, such mailing to take place within a reasonable time after creation of the Trust Account. The Depository Trustee is also authorized and directed to mail notice of the advance refunding of the 2007 Escrowed Bonds, in substantially the form set forth as Exhibit C-2 attached hereto, to each registered owner of a 2007 Escrowed Bond, 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 a portion of the 2005 Escrowed Bonds for redemption on the redemption date set forth on Exhibit A-1 and the Depository Trustee is hereby also authorized and directed to mail notices of redemption to each registered owner of the applicable 2005 Escrowed Bond, 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 Escrowed Bonds, and will not cause the Escrowed Bonds 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 on the 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 Escrowed Bonds 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 Escrowed Bonds.

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

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

**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 Escrowed Bonds 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 each January 15 and July 15, commencing on July 15, 2014 and ending on July 15, 2017, 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 Escrowed Bonds 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 \$1,750.00. 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 payment or redemption of the Escrowed Bonds. 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 \$29,507.00 of moneys deposited with the Depository Trustee as described in Section 3 hereof for such purpose, the costs and expenses associated with the prepayment of Escrowed Bonds 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 Escrowed Bonds. Any moneys remaining in the Expense Account after all authorized expenses have been paid or after July 31, 2014 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 Escrowed Bonds 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 Escrowed Bonds 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 Escrowed Bonds. 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 Escrowed Bonds, except that this Depository Trust Agreement may be amended without notice to or consent of the holders of the Escrowed Bonds 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 Escrowed Bonds;

(b) To grant or confer upon the holders of the Escrowed Bonds 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 Escrowed Bonds; 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 Escrowed Bonds 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 Escrowed Bonds 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 Escrowed Bonds 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 Escrowed Bonds remaining unclaimed for four years after the principal of all Escrowed Bonds has become due and payable shall then be paid to the Bond Fund established in the Bond Resolution and the holders of any Escrowed Bonds 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.** 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.

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.



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: Sham Bensen  
Chair, Board of Supervisors

ATTEST:

By: Robin Brigode  
Clerk, Board of Supervisors

APPROVED AS TO FORM:

SQUIRE SANDERS (US) LLP,  
Bond Counsel

By: Timothy E. Pickrell  
Timothy E. Pickrell

[Signature page of Depository Trust Agreement]

**EXHIBIT A-1  
TO  
DEPOSITORY TRUST AGREEMENT**

**2005 Escrowed Bonds**

**General Obligation Bonds, Series 2005**

Maturity Date (July 1)	Outstanding Principal Amount	Principal Amount Prepaid	Redemption Date	Redemption Price
2014	\$3,970,000	\$1,385,000	N/A	N/A
2015	4,150,000	4,150,000	N/A	N/A
2016	4,335,000	4,335,000	July 1, 2015	100%
2019	4,945,000	4,945,000	July 1, 2015	100

Bond Registrar and Paying Agent: U.S. Bank National Association

**EXHIBIT A-2  
TO  
DEPOSITORY TRUST AGREEMENT**

**2007 Escrowed Bonds**

**General Obligation Bonds, Series 2007**

<u>Maturity Date (July 1)</u>	<u>Outstanding Principal Amount</u>	<u>Principal Amount Prepaid</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2017	\$7,440,000	\$1,200,000	N/A	100%

Bond Registrar and Paying Agent: U.S. Bank National Association

**EXHIBIT B  
TO  
DEPOSITORY TRUST AGREEMENT**

**ACQUIRED OBLIGATIONS FOR ESCROWED BONDS**

<u>Type</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Coupon</u>	<u>Cost</u>	<u>Accrued Interest</u>	<u>Purchase Price</u>
SLGS - Certificate	07/01/2014	\$ 1,700,682	0.040%	\$ 1,700,682.00	\$16,468.68	\$ 1,717,150.68
SLGS - Certificate	01/01/2015	281,582	0.100	281,582.00	19,405.19	300,987.19
SLGS - Note	07/01/2015	13,711,842	0.190	13,711,842.00	19,145.21	13,730,987.21
SLGS - Note	01/01/2016	17,881	0.360	17,881.00	6,118.96	23,999.96
SLGS - Note	07/01/2016	17,913	0.560	17,913.00	6,086.77	23,999.77
SLGS - Note	01/01/2017	17,964	0.760	17,964.00	6,036.61	24,000.61
SLGS - Note	07/01/2017	1,218,031	0.980	1,218,031.00	5,968.35	1,223,999.35

**EXHIBIT C-1  
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 2005  
Dated: May 1, 2005

<u>Maturity Dates</u>	<u>Outstanding Balance</u>	<u>Principal Balances Being Prepaid</u>	<u>CUSIP (721663)</u>
July 1, 2014	\$3,970,000	\$1,385,000	SH6
July 1, 2015	4,150,000	4,150,000	SJ2
July 1, 2016	4,335,000	4,335,000	SK9
July 1, 2019	4,945,000	4,945,000	SN3

NOTICE IS HEREBY GIVEN that the above-referenced bonds have been paid 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 calculations provided by RBC Capital Markets, LLC, the financial advisor, 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 or maturity date, and call for redemption and to redeem on their redemption date or maturity date, the principal called for redemption or maturity plus accrued and unpaid interest due on the bonds. The redemption date for the 2016 and 2019 maturities of the above-referenced bonds is July 1, 2015.

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

Dated: January 29, 2014.

U.S. BANK NATIONAL ASSOCIATION,  
as Depository Trustee

**EXHIBIT C-2  
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 2007  
Dated: January 25, 2007

<u>Maturity Dates</u>	<u>Outstanding Balance</u>	<u>Principal Balances Being Prepaid</u>	<u>CUSIP (721663)</u>
July 1, 2017	\$7,440,000	\$1,200,000	TA0

NOTICE IS HEREBY GIVEN that the above-referenced bonds have been paid 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 calculations provided by RBC Capital Markets, LLC, the financial advisor, 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 or maturity date, and call for redemption and to redeem on their redemption date or maturity date, the principal called for redemption or maturity plus accrued and unpaid interest due on the bonds.

The CUSIP Number provided is listed as a convenience only and the Depository Trustee does not certify as to its correctness or completeness.

Dated: January 29, 2014.

U.S. BANK NATIONAL ASSOCIATION,  
as Depository Trustee

**EXHIBIT D-1**  
**TO**  
**DEPOSITORY TRUST AGREEMENT**  
**DEBT SERVICE**

**2005 Escrowed Bonds**

<u>Payment Date</u>	<u>Principal Retired</u>	<u>Interest</u>	<u>Premium</u>	<u>Total</u>
07/01/14	\$ 1,385,000.00	\$308,150.00	N/A	\$ 1,693,150.00
01/01/15	-	276,987.50	N/A	276,987.50
07/01/15	<u>13,430,000.00</u>	<u>276,987.50</u>	N/A	<u>13,706,987.50</u>
TOTAL	\$14,815,000.00	\$862,125.00		\$15,677,125.00

**EXHIBIT D-2**

**TO**

**DEPOSITORY TRUST AGREEMENT**

**DEBT SERVICE**

**2007 Escrowed Bonds**

<u>Payment Date</u>	<u>Principal Retired</u>	<u>Interest</u>	<u>Premium</u>	<u>Total</u>
07/01/14	\$ -	\$ 24,000.00	N/A	\$ 24,000.00
01/01/15	-	24,000.00	N/A	24,000.00
07/01/15	-	24,000.00	N/A	24,000.00
01/01/16	-	24,000.00	N/A	24,000.00
07/01/16	-	24,000.00	N/A	24,000.00
01/01/17	-	24,000.00	N/A	24,000.00
07/01/17	<u>1,200,000</u>	<u>24,000.00</u>	N/A	<u>1,224,000.00</u>
TOTAL	\$1,200,000	\$168,000.00		\$1,368,000.00

**SCHEDULE I**

**Costs and Expenses**

<u>Payee</u>	<u>Amount</u>
Bond Counsel	\$15,000.00
Financial Advisor	12,500.00
Depository Trustee	1,750.00
CUSIPs	<u>257.00</u>
TOTAL:	<u>\$29,507.00</u>

**MATERIAL EVENT NOTICES**

**DEFEASANCE OF THE FOLLOWING BONDS**

**PIMA COUNTY, ARIZONA  
GENERAL OBLIGATION BONDS  
SERIES 2005**

<u>Maturity Dates Being Refunded</u>	<u>Principal Balances Being Refunded</u>	<u>CUSIP (721663)</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
July 1, 2014	\$1,385,000	SH6	N/A	N/A
July 1, 2015	4,150,000	SJ2	N/A	N/A
July 1, 2016	4,335,000	SK9	July 1, 2015	100%
July 1, 2019	4,945,000	SN3	July 1, 2015	100%

**PIMA COUNTY, ARIZONA  
GENERAL OBLIGATION BONDS  
SERIES 2007**

<u>Maturity Dates Being Refunded</u>	<u>Principal Balances Being Refunded</u>	<u>CUSIP (721663)</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
July 1, 2017	\$1,200,000	TA0	N/A	N/A

**NOTICE IS HEREBY GIVEN** pursuant to the Continuing Disclosure Undertakings, dated May 26, 2005 and January 25, 2007, respectively, each executed by Pima County, Arizona, in connection with the issuance of the above-captioned Series 2005 General Obligation Bonds and Series 2007 General Obligation Bonds (collectively, the "Refunded Bonds"), that on January 29, 2014, the Refunded Bonds have been defeased in advance of their stated maturity dates by the irrevocable deposit of funds and securities with U.S. Bank National Association, as Depository Trustee, in an amount sufficient, together with investment income, to provide for the payment of principal of and interest on the Refunded Bonds as it becomes due until their respective redemption dates listed above.

The date of this Notice is February 3, 2014.

PIMA COUNTY, ARIZONA

By:   
Thomas Burke  
Finance and Risk Management Director



**\*FINAL\***

**SETTLEMENT, DELIVERY & CLOSING PROCEDURES**

**\$16,015,000  
PIMA COUNTY, ARIZONA  
GENERAL OBLIGATION BONDS  
SERIES 2005 AND SERIES 2007**

**PARTIAL PREPAYMENT AND DEFEASANCE**

**DEFEASANCE DATE:** January 29, 2014

**MATURITY DATES,  
CUSIPS, PRINCIPAL  
AMOUNTS OF BONDS  
BEING DEFEASED:** See Exhibit A.

**PARTICIPANTS:** See Exhibit C.

**SETTLEMENT  
INSTRUCTIONS:**

(A) On the day of closing, **Pima County Treasurer's Office** (the "County Treasurer") will wire transfer **\$16,995,402.23** to the depository trustee, **U.S. Bank National Association**, (the "Depository Trustee") as follows:

U.S. Bank National Association  
60 Livingston  
St. Paul, MN 55107

U.S. Bank, ABA #091000022  
U.S. Bank Trust A/C# 180121167365  
BNF: Corp Trust Wire Clearing  
Acct Ref: Pima GO 2014 - 207789000  
Attn: Veverly Saucer (602) 257-5413

(B) The funds received by the Depository Trustee in (A) above will be applied as follows:

(1) **\$16,965,895.23** will be deposited to the Trust Account and used to fund an initial cash deposit of **\$0.23** and purchase Escrow Securities (as described in Exhibit B) to provide for the Bonds Being Defeased;

(2) **\$29,507.00** will be deposited to the Expense Account and used to pay costs associated with the defeasance.

Exhibit A

**\$16,015,000**  
**PIMA COUNTY, ARIZONA**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2005 AND SERIES 2007**

**Partial Prepayment and Defeasance**

**BONDS BEING DEFEASED**

**General Obligation Bonds, Series 2005**

<b>Maturity Dates of Bonds Being Defeased</b>	<b>Outstanding Principal Amount</b>	<b>Principal Amount Prepaid</b>	<b>Redemption Date</b>	<b>CUSIPS (721663)</b>
07/01/2014	\$3,970,000	\$1,385,000	N/A	SH6
07/01/2015	4,150,000	4,150,000	N/A	SJ2
07/01/2016	4,335,000	4,335,000	07/01/2015	SK9
07/01/2019	4,945,000	4,945,000	07/01/2015	SN3

**General Obligation Bonds, Series 2007**

<b>Maturity Dates of Bonds Being Defeased</b>	<b>Outstanding Principal Amount</b>	<b>Principal Amount Prepaid</b>	<b>Redemption Date</b>	<b>CUSIPS (721663)</b>
07/01/2017	\$7,440,000	\$1,200,000	N/A	TA0

**\$16,015,000**  
**PIMA COUNTY, ARIZONA**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2005 AND SERIES 2007**

**Partial Prepayment and Defeasance**

<b>Escrow Securities for the Bonds Being Defeased</b>
---

Purchase Date	Type of Securities	Maturity Date	First Interest Payment Date	Par Amount	Rate	Max Rate
01/29/2014	SLGS Certificate	07/01/2014	07/01/2014	\$1,700,682	0.040%	0.040%
01/29/2014	SLGS Certificate	01/01/2015	01/01/2015	281,582	0.100%	0.100%
01/29/2014	SLGS Note	07/01/2015	07/01/2014	13,711,842	0.190%	0.190%
01/29/2014	SLGS Note	01/01/2016	07/01/2014	17,881	0.360%	0.360%
01/29/2014	SLGS Note	07/01/2016	07/01/2014	17,913	0.560%	0.560%
01/29/2014	SLGS Note	01/01/2017	07/01/2014	17,964	0.760%	0.760%
01/29/2014	SLGS Note	07/01/2017	07/01/2014	1,218,031	0.980%	0.980%

**\$16,015,000  
PIMA COUNTY, ARIZONA  
GENERAL OBLIGATION BONDS  
SERIES 2005 AND SERIES 2007**

**PARTIAL PREPAYMENT AND DEFEASANCE**

**PRELIMINARY DISTRIBUTION LIST**

**PIMA COUNTY**

Finance and Risk Management Department  
130 West Congress, 10th Floor  
Tucson, AZ 85701  
Fax: (520) 740-8171

Tom Burke  
Finance and Risk Management Director  
(520) 724-3030  
e-mail: [tom.burke@pima.gov](mailto:tom.burke@pima.gov)

Finance and Risk Management Department  
130 West Congress, 6th Floor  
Tucson, AZ 85701  
Fax: (520) 243-2329

Ellen Moulton  
(520) 724-3138  
e-mail : [ellen.moulton@pima.gov](mailto:ellen.moulton@pima.gov)

Michelle Campagne  
(520) 724-8410  
e-mail: [michelle.campagne@pima.gov](mailto:michelle.campagne@pima.gov)

County Attorney's Office  
130 West Congress  
Tucson, Arizona 85701

Regina Nassen  
(520) 724-5411  
e-mail: [regina.nassen@pcao.pima.gov](mailto:regina.nassen@pcao.pima.gov)

**PIMA COUNTY TREASURER**

Pima County Treasurer's Office  
115 North Church  
Tucson, AZ 85701  
Fax: (520) 884-4809

Beth Ford  
County Treasurer  
(520) 724-8341  
e-mail: [beth.ford@pima.gov](mailto:beth.ford@pima.gov)

**BOND COUNSEL**

Squire Sanders (US) LLP  
1 E. Washington Street, Suite 2700  
Phoenix, AZ 85004  
Fax: (602) 253-8129

Timothy E. Pickrell  
P: (602) 528-4031  
C: (602) 617-9260  
e-mail: [timothy.pickrell@squiresanders.com](mailto:timothy.pickrell@squiresanders.com)

Pedro Miranda  
(602) 528-4843  
e-mail: [pedro.miranda@squiresanders.com](mailto:pedro.miranda@squiresanders.com)

Jennifer R. Cosper  
(602) 528-4880  
e-mail: [jennifer.cosper@squiresanders.com](mailto:jennifer.cosper@squiresanders.com)

**FINANCIAL ADVISOR**

RBC Capital Markets, LLC  
2398 East Camelback Road, Suite 700  
Phoenix, AZ 85016  
Fax: (602) 381-5380

Kurt M. Freund  
(602) 381-5365  
e-mail: [kurt.freund@rbccm.com](mailto:kurt.freund@rbccm.com)

Kathryn Pong  
(602) 381-5359  
e-mail: [kathryn.pong@rbccm.com](mailto:kathryn.pong@rbccm.com)

Kathy Salcido  
(602) 381-5371  
e-mail : [kathy.salcido@rbccm.com](mailto:kathy.salcido@rbccm.com)

**DEPOSITORY TRUSTEE**

U.S. Bank National Association  
101 North First Avenue, Suite 1600  
Phoenix, Arizona 85003  
Fax: (602) 257-5433

Keith Henselen  
(602) 257-5431  
e-mail: [keith.henselen@usbank.com](mailto:keith.henselen@usbank.com)



**U.S. Treasury Securities  
SLGS Time Deposit  
Subscription View**

OMB: No: 1535-0092  
Date/Time: 01/21/2014 05:34 PM EST

Page: 1 of 2

**Issue Information**

**Treasury Case Number** 201400355  
**Status** Complete  
**Issue Date** 01/29/2014  
**Issue Amount** \$16,965,895.00  
**Rate Table Date** 01/21/2014

**Owner**

**Taxpayer Identification Number** 86-6000543  
**Underlying Bond Issue** Pima County, Arizona - Cash Defeasance of General Obligation Bonds Series 2014  
**Owner Name** Pima County, Arizona  
**Address Line 1** 130 West Congress Street, 10th Floor  
**Line 2**  
**Line 3**  
**City** Tucson  
**State** AZ  
**Zip Code** 85701-1317  
**Contact Name** Thomas E Burke  
**Telephone** 520-724-3030  
**Fax** 520-770-4173  
**E-mail**

**Trustee**

**ABA Routing Number** 091000022  
**Bank Reference Number**  
**Bank Name** US Bank, N.A.  
**Address Line 1** LM-AZ-X16P  
**Line 2** 101 N. 1st Ave, Ste 1600  
**Line 3**  
**City** Phoenix  
**State** AZ  
**Zip Code** 85003  
**Contact Name** Keith Henselen  
**Telephone** 602-257-5431  
**Fax** 602-257-5433  
**E-mail** Keith.Henselen@USBank.com

**Funds for Purchase**

**ABA Routing Number** 091000022  
**Bank Name** US Bank, N.A.  
**Contact Name** Keith Henselen  
**Telephone** 602-257-5431  
**Fax** 602-257-5433  
**E-mail** Keith.Henselen@USBank.com



**U.S. Treasury Securities  
SLGS Time Deposit  
Subscription View**

OMB: No: 1535-0092  
Date/Time: 01/21/2014 05:34 PM EST  
Page: 2 of 2

**ACH Institutions & Instructions**

**ABA Routing Number** 091000022  
**Bank Name** US Bank, N.A.  
**Address Line 1** 60 Livingston Ave  
**Line 2**  
**Line 3**  
**City** St Paul  
**State** MN  
**Zip Code** 55107  
**Contact Name** Keith Henselen  
**Telephone** 602-257-5431  
**Fax** 602-257-5433  
**E-mail** Keith.Henselen@USBank.com

**ABA Routing Number** 091000022  
**Account Name** US Bank, N.A.  
**Account Number** 173100077762  
**Account Type** Checking

**Subscriber**

**ABA/TIN** 091000022  
**Organization Name** US Bank  
**Address Line 1** 101 N. 1st Ave, Suite 1600  
**Line 2**  
**Line 3**  
**City** Phoenix  
**State** AZ  
**Zip Code** 85003  
**Contact Name** Veverly Saucer  
**Telephone** 602-257-5413  
**Fax** 602-257-5433  
**E-mail** veverly.saucer@usbank.com

**Viewers**

ABA/TIN	Organization Name
No Viewers Assigned	

**Securities**

Security Number	Security Type	Principal Amount	Interest Rate	Maturity Date	First Interest Payment Date	Security Description
1	C of I	\$1,700,682.00	0.040000000	07/01/2014		
2	C of I	\$281,582.00	0.100000000	01/01/2015		
3	Note	\$13,711,842.00	0.190000000	07/01/2015	07/01/2014	
4	Note	\$17,881.00	0.360000000	01/01/2016	07/01/2014	
5	Note	\$17,913.00	0.560000000	07/01/2016	07/01/2014	
6	Note	\$17,964.00	0.760000000	01/01/2017	07/01/2014	
7	Note	\$1,218,031.00	0.980000000	07/01/2017	07/01/2014	



# DEPARTMENT OF THE TREASURY

BUREAU OF THE PUBLIC DEBT

PARKERSBURG, WV 26106-0396

## SUBSCRIPTION CONFIRMATION

State and Local Government Series Securities

Treasury Case Number:	201400355
Program Type:	Time Deposit
Issue Amount:	\$16,965,895.00
Issue Date:	01/29/2014
Owner Name:	Pima County, Arizona
TIN:	86-6000543
Rate Table Date:	01/21/2014
Status:	Complete
Confirmation Date:	01/21/2014
Confirmation Time:	05:31 PM EST

## SOURCES AND USES OF FUNDS

PIMA COUNTY, ARIZONA  
General Obligation Bonds  
Cash Defeasance-----  
FINAL  
-----Dated Date           01/29/2014  
Delivery Date       01/29/2014

## Sources:

## Source of Funds:

County Cash Contribution	16,995,402.23
	<u>16,995,402.23</u>

## Uses:

## Refunding Escrow Deposits:

Cash Deposit	0.23
SLGS Purchases	<u>16,965,895.00</u>
	16,965,895.23

## Delivery Date Expenses:

Cost of Issuance	29,507.00
	<u>16,995,402.23</u>



## SUMMARY OF BONDS REFUNDED

PIMA COUNTY, ARIZONA  
General Obligation Bonds  
Cash Defeasance-----  
FINAL  
-----

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Obligation Bonds, Series 2005, 2005:					
SERIAL	07/01/2014	4.500%	1,385,000.00		
	07/01/2015	5.000%	4,150,000.00		
	07/01/2016	4.000%	4,335,000.00	07/01/2015	100.000
	07/01/2019	3.500%	4,945,000.00	07/01/2015	100.000
			14,815,000.00		
General Obligation Bonds, Series 2007, 2007:					
SERIAL	07/01/2017	4.000%	1,200,000.00		
			16,015,000.00		



## PRIOR BOND DEBT SERVICE

PIMA COUNTY, ARIZONA  
General Obligation Bonds  
Cash Defeasance-----  
FINAL  
-----

Period Ending	Principal	Coupon	Interest	Debt Service
07/01/2014	1,385,000	4.500%	332,150	1,717,150
07/01/2015	4,150,000	5.000%	601,975	4,751,975
07/01/2016	4,335,000	4.000%	394,475	4,729,475
07/01/2017	1,200,000	4.000%	221,075	1,421,075
07/01/2018			173,075	173,075
07/01/2019	4,945,000	3.500%	173,075	5,118,075
	16,015,000		1,895,825	17,910,825



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 ESCROW DESCRIPTIONS

 PIMA COUNTY, ARIZONA  
 General Obligation Bonds  
 Cash Defeasance

 -----  
 FINAL  
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Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Jan 29, 2014:						
SLGS	Certificate	07/01/2014	07/01/2014	1,700,682	0.040%	0.040%
SLGS	Certificate	01/01/2015	01/01/2015	281,582	0.100%	0.100%
SLGS	Note	07/01/2015	07/01/2014	13,711,842	0.190%	0.190%
SLGS	Note	01/01/2016	07/01/2014	17,881	0.360%	0.360%
SLGS	Note	07/01/2016	07/01/2014	17,913	0.560%	0.560%
SLGS	Note	01/01/2017	07/01/2014	17,964	0.760%	0.760%
SLGS	Note	07/01/2017	07/01/2014	1,218,031	0.980%	0.980%
				16,965,895		

SLGS Summary

SLGS Rates File	21JAN14
Total Certificates of Indebtedness	1,982,264.00
Total Notes	14,983,631.00
Total original SLGS	16,965,895.00



ESCROW REQUIREMENTS

PIMA COUNTY, ARIZONA  
General Obligation Bonds  
Cash Defeasance

-----  
FINAL  
-----

Dated Date            01/29/2014  
Delivery Date        01/29/2014

General Obligation Bonds, Series 2005 (2005)

Period Ending	Principal	Interest	Principal Redeemed	Total
07/01/2014	1,385,000.00	308,150.00		1,693,150.00
01/01/2015		276,987.50		276,987.50
07/01/2015	4,150,000.00	276,987.50	9,280,000.00	13,706,987.50
	5,535,000.00	862,125.00	9,280,000.00	15,677,125.00

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ESCROW REQUIREMENTS

PIMA COUNTY, ARIZONA  
General Obligation Bonds  
Cash Defeasance

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FINAL  
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Dated Date           01/29/2014  
Delivery Date       01/29/2014

General Obligation Bonds, Series 2007 (2007)

Period Ending	Principal	Interest	Total
07/01/2014		24,000.00	24,000.00
01/01/2015		24,000.00	24,000.00
07/01/2015		24,000.00	24,000.00
01/01/2016		24,000.00	24,000.00
07/01/2016		24,000.00	24,000.00
01/01/2017		24,000.00	24,000.00
07/01/2017	1,200,000.00	24,000.00	1,224,000.00
	1,200,000.00	168,000.00	1,368,000.00



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ESCROW CASH FLOW

PIMA COUNTY, ARIZONA  
General Obligation Bonds  
Cash Defeasance

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FINAL  
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Date	Principal	Interest	Net Escrow Receipts	Present Value to 01/29/2014 @ 0.3193992%
07/01/2014	1,700,682.00	16,468.68	1,717,150.68	1,714,838.38
01/01/2015	281,582.00	19,405.19	300,987.19	300,102.62
07/01/2015	13,711,842.00	19,145.21	13,730,987.21	13,668,804.27
01/01/2016	17,881.00	6,118.96	23,999.96	23,853.18
07/01/2016	17,913.00	6,086.77	23,999.77	23,814.96
01/01/2017	17,964.00	6,036.61	24,000.61	23,777.82
07/01/2017	1,218,031.00	5,968.35	1,223,999.35	1,210,703.77
	16,965,895.00	79,229.77	17,045,124.77	16,965,895.00

Escrow Cost Summary

Purchase date	01/29/2014
Purchase cost of securities	16,965,895.00
Target for yield calculation	16,965,895.00



ESCROW SUFFICIENCY  
PIMA COUNTY, ARIZONA  
General Obligation Bonds  
Cash Defeasance

-----  
FINAL  
-----

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
01/29/2014		0.23	0.23	0.23
07/01/2014	1,717,150.00	1,717,150.68	0.68	0.91
01/01/2015	300,987.50	300,987.19	-0.31	0.60
07/01/2015	13,730,987.50	13,730,987.21	-0.29	0.31
01/01/2016	24,000.00	23,999.96	-0.04	0.27
07/01/2016	24,000.00	23,999.77	-0.23	0.04
01/01/2017	24,000.00	24,000.61	0.61	0.65
07/01/2017	1,224,000.00	1,223,999.35	-0.65	
	17,045,125.00	17,045,125.00	0.00	



ESCROW STATISTICS  
 PIMA COUNTY, ARIZONA  
 General Obligation Bonds  
 Cash Defeasance

----  
 FINAL  
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	Total Escrow Cost	Modified Duration (years)	PV of 1 bp change	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Global Proceeds Escrow:	16,965,895.23	1.457	2,471.50	0.319399%	0.319399%	17,045,125.00	-79,229.77	
	16,965,895.23		2,471.50			17,045,125.00	-79,229.77	0.00

Delivery date      01/29/2014



## FORM 8038 STATISTICS

PIMA COUNTY, ARIZONA  
General Obligation Bonds  
Cash Defeasance-----  
FINAL  
-----Dated Date 01/29/2014  
Delivery Date 01/29/2014

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
		0.00			0.00	0.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity						
Entire Issue						

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	29,507.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to currently refund prior issues	0.00
Proceeds used to advance refund prior issues	16,965,895.23
Remaining weighted average maturity of the bonds to be currently refunded	0.0000
Remaining weighted average maturity of the bonds to be advance refunded	2.9914



## FORM 8038 STATISTICS

PIMA COUNTY, ARIZONA  
General Obligation Bonds  
Cash Defeasance-----  
FINAL  
-----Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
General Obligation Bonds, Series 2005:					
SERIAL	07/01/2014	1,385,000.00	4.500%	100.000	1,385,000.00
SERIAL	07/01/2015	4,150,000.00	5.000%	100.000	4,150,000.00
SERIAL	07/01/2016	4,335,000.00	4.000%	100.000	4,335,000.00
SERIAL	07/01/2019	4,945,000.00	3.500%	100.000	4,945,000.00
		14,815,000.00			14,815,000.00
General Obligation Bonds, Series 2007:					
SERIAL	07/01/2017	1,200,000.00	4.000%	100.000	1,200,000.00
		16,015,000.00			16,015,000.00

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
General Obligation Bonds, Series 2005	07/01/2015	05/26/2005	2.9565
General Obligation Bonds, Series 2007		01/25/2007	3.4222
All Refunded Issues	07/01/2015		2.9914



## COST OF ISSUANCE

PIMA COUNTY, ARIZONA  
General Obligation Bonds  
Cash Defeasance-----  
FINAL  
-----

Cost of Issuance	\$/1000	Amount
Bond Counsel		15,000.00
Financial Advisor		12,500.00
Depository Trustee		1,750.00
CUSIPS		257.00
	0.00	29,507.00



**Information Return for Tax-Exempt Governmental Obligations**  
▶ Under Internal Revenue Code section 149(e)  
▶ See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

**Part I Reporting Authority** If Amended Return, check here

1 Issuer's name <b>Pima County, Arizona</b>	2 Issuer's employer identification number <b>86 : 6000543</b>
3 Number and street (or P.O. box if mail is not delivered to street address) <b>130 West Congress, 10th Floor</b>	Room/suite
5 City, town, or post office, state, and ZIP code <b>Tucson, Arizona 85701</b>	4 Report number <b>3 01</b>
7 Name of issue <b>General Obligation Bonds, Series 2005</b>	6 Date of issue <b>5/26/05</b>
9 Name and title of officer or legal representative whom the IRS may call for more information <b>Tom Burke, Finance Director</b>	8 CUSIP number <b>721663 SP8</b>
	10 Telephone number of officer or legal representative ( <b>520</b> ) <b>740-3030</b>

**Part II Type of Issue (check applicable box(es) and enter the issue price)** See instructions and attach schedule

11 <input type="checkbox"/> Education	11	
12 <input type="checkbox"/> Health and hospital	12	
13 <input type="checkbox"/> Transportation	13	
14 <input type="checkbox"/> Public safety	14	
15 <input type="checkbox"/> Environment (including sewage bonds)	15	
16 <input type="checkbox"/> Housing	16	
17 <input type="checkbox"/> Utilities	17	
18 <input checked="" type="checkbox"/> Other. Describe ▶ <b>Various capital improvement projects</b>	18	<b>65,533,698.35</b>
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>		

**Part III Description of Obligations.** Complete for the entire issue for which this form is being filed.

(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21 July 1, 2020	\$ 65,533,698.35	\$65,000,000	7.984 years	3.9394763 %

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

22 Proceeds used for accrued interest	22		184,883.68
23 Issue price of entire issue (enter amount from line 21, column (b))	23		65,533,698.35
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	<b>281,347.45</b>	
25 Proceeds used for credit enhancement	25	<b>150,000.00</b>	
26 Proceeds allocated to reasonably required reserve or replacement fund	26	<b>0</b>	
27 Proceeds used to currently refund prior issues	27	<b>0</b>	
28 Proceeds used to advance refund prior issues	28	<b>0</b>	
29 Total (add lines 24 through 28)	29		<b>431,347.45</b>
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30		<b>65,102,350.90</b>

**Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)**

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	▶	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	▶	_____ years
33 Enter the last date on which the refunded bonds will be called	▶	_____
34 Enter the date(s) the refunded bonds were issued	▶	_____

**Part VI Miscellaneous**

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	_____
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	_____
b Enter the final maturity date of the guaranteed investment contract		_____
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	_____
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer		_____ and the date of the issue ▶ _____
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box		_____ <input type="checkbox"/>
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		_____ <input type="checkbox"/>
40 If the issuer has identified a hedge, check box		_____ <input type="checkbox"/>

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here

▶ Tom Burke 5/26/05 ▶ **Tom Burke, Finance Director**  
Signature of issuer's authorized representative Date Type or print name and title



**Information Return for Tax-Exempt Governmental Obligations**

Under Internal Revenue Code section 149(e)  
See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

**Part I Reporting Authority**

1 Issuer's name <b>Pima County, Arizona</b>		If Amended Return, check here <input type="checkbox"/>	
3 Number and street (or P.O. box if mail is not delivered to street address) <b>130 West Congress, 10th Floor</b>		Room/suite	4 Report number <b>3 01</b>
5 City, town, or post office, state, and ZIP code <b>Tucson, Arizona 85701</b>		6 Date of issue <b>1/25/07</b>	
7 Name of issue <b>General Obligation Bonds, Series 2007</b>		8 CUSIP number <b>721663 TE2</b>	
9 Name and title of officer or legal representative whom the IRS may call for more information <b>Thomas Burke, Finance and Risk Management Director</b>		10 Telephone number of officer or legal representative <b>( 520 ) 740-3030</b>	

**Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule**

11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input checked="" type="checkbox"/> Other. Describe <b>Various capital improvement projects</b>	18 <b>95,323,730.75</b>
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

**Part III Description of Obligations. Complete for the entire issue for which this form is being filed.**

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	July 1, 2021	\$95,323,730.75	\$95,000,000.00	7.824 years	4.0295285 %

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

22 Proceeds used for accrued interest	22	266,740.00
23 Issue price of entire issue (enter amount from line 21, column (b))	23	95,323,730.75
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	141,899.46
25 Proceeds used for credit enhancement	25	181,200.00
26 Proceeds allocated to reasonably required reserve or replacement fund	26	0
27 Proceeds used to currently refund prior issues	27	0
28 Proceeds used to advance refund prior issues	28	0
29 Total (add lines 24 through 28)	29	323,099.46
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	95,000,631.29

**Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)**

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	N/A	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	N/A	years
33 Enter the last date on which the refunded bonds will be called	N/A	
34 Enter the date(s) the refunded bonds were issued	N/A	

**Part VI Miscellaneous**

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	N/A
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	N/A
b Enter the final maturity date of the guaranteed investment contract		
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	NA
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer		
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box		<input type="checkbox"/>
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		<input type="checkbox"/>
40 If the issuer has identified a hedge, check box		<input type="checkbox"/>

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct and complete.

Sign Here

*Thomas Burke*

Signature of issuer's authorized representative

01/25/2007

Date

Thomas Burke, Finance & Risk Mngt Director

Type or print name and title

