

RESOLUTION

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF TUCSON UNIFIED SCHOOL DISTRICT NO. 1 OF PIMA COUNTY, ARIZONA, REFUNDING BONDS, SERIES 2017 (2020 CROSSOVER), IN ONE OR MORE SERIES; DELEGATING THE AUTHORITY TO APPROVE CERTAIN MATTERS WITH RESPECT TO THE BONDS AND THE BONDS BEING REFUNDED; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS; AUTHORIZING THE APPOINTMENT OF A REGISTRAR, TRANSFER AGENT AND PAYING AGENT AND A DEPOSITORY TRUSTEE; APPROVING THE FORM OF THE BONDS AND CERTAIN DOCUMENTS AND AUTHORIZING COMPLETION, EXECUTION AND DELIVERY THEREOF; DELEGATING THE AUTHORITY TO APPROVE AND DEEM FINAL A FORM OF OFFICIAL STATEMENT; AND RATIFYING THE PREPARATION AND DISSEMINATION OF A PRELIMINARY OFFICIAL STATEMENT AND ALL ACTIONS TAKEN OR TO BE TAKEN TO FURTHER THIS RESOLUTION.

WHEREAS, Tucson Unified School District No. 1 of Pima County, Arizona (the "*District*") has issued certain school improvement bonds (the "*Prior Bonds*") and the Governing Board of the District (the "*Board*") has decided to provide for the refunding and, as applicable, redemption of a certain amount of the Prior Bonds on or prior to their respective maturity dates (the "*Bonds Being Refunded*"); and

WHEREAS, the Board has determined that it is expedient to refund some or all the Bonds Being Refunded and that the issuance of refunding bonds in one or more series and the application of the net proceeds thereof to pay at maturity or call for redemption the Bonds Being Refunded are necessary and advisable and are in the best interests of the District because the proposed refunding bonds can be sold to effect a lower tax burden for the District's taxpayers; and

WHEREAS, the District intends to issue refunding bonds in one or more series in the aggregate principal amount of not to exceed \$63,655,000 (the "*Bonds*") for the purpose of refunding the Bonds Being Refunded and paying the costs of issuance of the Bonds; and

WHEREAS, in accordance with applicable law, the total aggregate of taxes levied to pay principal of and interest on the Bonds of a particular series, in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded with the proceeds of such series, calculated from the date of issuance of such Bonds to the final maturity date of the Bonds Being Refunded of a particular series; and

WHEREAS, the Bonds will be sold through a negotiated offering with the assistance of Stifel, Nicolaus & Company, Incorporated as financial advisor to the District and the Board shall receive a proposal for the purchase of the Bonds from RBC Capital Markets, LLC, as Senior Managing Underwriter and Piper Jaffray & Co., as Co-Manager (together, the "*Underwriters*") acting for itself and not acting as a municipal advisor (as defined in the Securities and Exchange Commission's (the "*SEC's*") Municipal Advisor Rule), in substantially the form of a bond purchase agreement (the "*Purchase Agreement*") now on file with this Board

and the District desires that the Bonds be sold through negotiation to the Underwriters on such terms as may hereafter be approved by the District's Superintendent or the District's Executive Director of Finance and pursuant to the District's RFP 16-50-C20 – Investment Banking Services; and

WHEREAS, by this resolution the Board will approve a bond purchase agreement in substantially the form now on file and order the bond purchase agreement to be completed with the final terms of the Bonds and entered into between the District and the Underwriters when the final terms have been determined for the sale of the Bonds to the Underwriters (as completed, the "*Purchase Agreement*"); and

WHEREAS, within and by the parameters set forth in this resolution, the Board will authorize the execution, issuance and sale of the Bonds and their delivery to the Underwriters in accordance with the Purchase Agreement and at such prices, interest rates, maturities and redemption features as may be hereafter determined.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF TUCSON UNIFIED SCHOOL DISTRICT NO. 1 OF PIMA COUNTY, ARIZONA, AS FOLLOWS:

Section 1. Authorization. The Board hereby authorizes the Bonds to be issued and sold in one or more series in the aggregate principal amount of not to exceed \$63,655,000. The Bonds shall be issued and sold in accordance with the provisions of this resolution and delivered against payment therefor by the Underwriters. The Bonds so authorized shall be designated *Tucson Unified School District No. 1 of Pima County, Arizona, Refunding Bonds, Series 2017 (2020 Crossover)*, or such other name as designated in the Purchase Agreement. The series designation of the Bonds may change if any series of the Bonds are not sold in calendar year 2017 and the name of the Bonds may change if the Bonds Being Refunded (as hereinafter defined) are not refunded on a crossover basis. The Bonds shall be issued for the purpose of providing funds to be used to refund the Bonds Being Refunded and to pay the costs of issuance of the Bonds. The Board finds and determines that it is expedient, necessary and advisable that the District restructure a portion of its outstanding bonded debt to lower the aggregate tax burden for the District's taxpayers. The Board hereby requires that the present value of the debt service savings, net of all costs associated with the Bonds, shall be not less than 3.00% of the principal amount of the Bonds Being Refunded.

Section 2. Terms.

A. **Bonds.** The Bonds will be dated such date as set forth in the Purchase Agreement, will mature on July 1 in some or all of the years 2018 to 2030, inclusive. The Bonds will bear interest from their date to the maturity or earlier redemption date of each of the Bonds provided that the bond yield, calculated in the manner bond yield is determined for arbitrage rebate purposes pursuant to United States Treasury Regulations, shall not exceed 3.75%.

The principal amount maturing in each year, the interest rates applicable to each maturity, the optional and mandatory redemption provisions and any other final terms of the

Bonds shall be as set forth in the Purchase Agreement and approved by the President or any other member of the Board, and such approval shall be evidenced by the execution and delivery of the Purchase Agreement. The Bonds shall be issued initially in fully registered book-entry-only form in denominations equal to the respective year's maturity amount. If the Book-Entry-Only System (as hereinafter defined) is discontinued, the Bonds will be in the denominations of \$5,000 each or integral multiples thereof. Interest on the Bonds shall be payable semiannually on each January 1 and July 1 (each an Interest Payment Date) during the term of the Bonds, commencing July 1, 2018 (or on such other date as set forth in the Purchase Agreement).

B. Book-Entry-Only System. So long as the Bonds are administered under the Book-Entry-Only System described in the Letter of Representations which is hereinafter defined, interest payments and principal payments that are part of periodic principal and interest payments shall be paid to Cede & Co. or its registered assigns in same-day funds no later than the time established by The Depository Trust Company, a New York Corporation ("*DTC*") on each interest or principal payment date payment date (or in accordance with then-existing arrangements between the District and DTC). The District has previously entered into an agreement (the "*Letter of Representations*") with DTC in connection with the issuance of the District's bonds including the Bonds and, while the Letter of Representations is in effect, the procedures established therein shall apply to the Bonds.

C. Registration. If the Book-Entry-Only System is discontinued, the Registrar's registration books shall show the registered owners of the Bonds (the "*Owner*" or "*Owners*"). While the Bonds are subject to the Book-Entry-Only System, the Bonds shall be registered in the name of Cede & Co., or its registered assigns. If the Book-Entry-Only System is discontinued, the Bonds will be administered by the Registrar in a manner which assures against double issuance and provides a system of transfer of ownership on the books of the Registrar in the manner set forth in the Bonds. The District recognizes that Section 149(a) of the Internal Revenue Code of 1986, as amended (the "*Code*"), requires the Bonds to be issued and to remain in fully registered form in order that interest thereon is exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the District agrees that it will not take any action to permit the Bonds to be issued in, or converted into bearer or coupon form.

D. Payment. If the Book-Entry-Only System is discontinued, principal of and interest on the Bonds will be payable on each Interest Payment Date by the Paying Agent by check mailed to the Owner thereof at such Owner's address as shown on the registration books maintained by the Registrar on or the close of business of the Registrar the fifteenth (15th) day of the month preceding an Interest Payment Date (the "*Record Date*").

If the Book-Entry-Only System is discontinued, principal of and interest on the Bonds will be payable, when due, only upon presentation and surrender of the Bond at the designated corporate trust office of the Paying Agent. Upon written request made twenty days prior to an Interest Payment Date by an Owner of at least \$1,000,000 in principal amount of Bonds outstanding all payments of interest and, if adequate provision for surrender is made, principal and premium, if any, shall be paid by wire transfer in immediately available funds to an account within the United States of America designated by such Owner.

Notwithstanding any other provision of this resolution, payment of principal of and interest on any Bond that is held by a securities depository or that is subject to a Book-Entry-Only System may be paid by the Paying Agent by wire transfer in "same day funds".

E. Other Terms. The Bonds shall have such other terms and provisions as are set forth in Exhibit A, hereto and shall be sold under the terms and conditions set forth in the Purchase Agreement.

Section 3. Prior Redemption.

A. Optional Redemption. The Bonds may be subject to redemption as set forth in the Purchase Agreement.

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

Whenever Bonds subject to mandatory redemption are purchased, redeemed (other than pursuant to mandatory redemption) or delivered by the District to the Registrar for cancellation, the principal amount of the Bonds so retired shall satisfy and be credited against the mandatory redemption requirements for such Bonds for such years as the District may direct.

C. Notice of Redemption. (1) So long as the Book-Entry-Only System is in effect, the Registrar shall notify DTC of redemption in the manner required by DTC. If the Book-Entry-Only System is discontinued, notice of redemption of any Bonds redeemed prior to their stated maturity date shall be mailed by first class mail to each Registered Owner not more than sixty (60) days nor less than thirty (30) days prior to the date of redemption. Neither the failure to properly give notice of redemption nor any defect therein shall affect the validity of the proceedings for redemption of any Bonds which notice was properly given. (2) The Registrar also agrees to send notice of redemption to the Municipal Securities Rulemaking Board (the "MSRB"), currently through the MSRB's Electronic Municipal Market Access system in the manner required by the MSRB, but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above. (3) If moneys for the payment of the redemption price and accrued interest are not held in separate accounts by the District, the Pima County Treasurer (the "Treasurer"), or by a Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such moneys being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect.

D. Effect of Call for Redemption. On the date designated for redemption by notice given as herein provided, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date, and, if moneys for payment of the redemption price are held in separate accounts by the Paying Agent, interest on such Bonds or portions of such Bonds so called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any benefit or security hereunder and the Owners of such

Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and such Bonds shall be deemed paid and no longer outstanding.

E. Redemption of Less Than All of a Bond. The District may redeem an amount which is included in a Bond in the denomination in excess of, but divisible by, \$5,000. In that event, the Owner shall submit the Bond for partial redemption and the Paying Agent shall make such partial payment and the Registrar shall cause a new Bond of the same series in a principal amount equal to the unpaid amount remaining on such Bond after the redemption to be issued, authenticated and delivered to the Owner thereof.

Section 4. Security. For the purpose of paying the principal of, premium, if any, and interest on and costs of administration of the registration and payment of the Bonds, there shall be levied on all the taxable property in the District a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, interest and administration costs of and on the Bonds, as the same becomes due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected, except that ad valorem taxes shall be abated to pay interest on the Bonds through July 1, 2020 (the "Crossover Date") and such interest shall be paid by amounts held in a special trust funded with proceeds of the Bonds, as described in Section 5 hereof. Taxes levied with respect to the payment of principal of and interest on the Bonds, shall be further limited as follows: the total aggregate of taxes levied to pay principal of and interest on the Bonds, in the aggregate, shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded, with the proceeds of the Bonds, calculated from the date of issuance of the Bonds to the final maturity date of the Bonds Being Refunded, and further, if the trust created to pay principal of, premium, if any, and interest on the Bonds Being Refunded with the proceeds of the Bonds is insufficient to make such payments when due, any taxes levied to pay principal of and interest on the Bonds shall first be applied to the payments of amounts due on the Bonds Being Refunded. The proceeds of the taxes shall be kept in a special fund of the District entitled the "Debt Service Fund" and shall be used only for the payment of principal, premium, if any, and interest on the Bonds, or costs as above-stated, except for the above-provided limitations on the payment of interest on the Bonds to the Crossover Date. If for any reason, the amount on deposit in the District's debt service fund is insufficient to pay on the date of payment, the principal, premium, if any, and interest on the Bonds, the District hereby authorizes the Treasurer to pay such deficiency from any District funds lawfully available therefor.

This resolution shall be construed as a request and continuing consent to invest moneys in the Debt Service Fund, subject to the provisions of Section 14 and any restrictions imposed by any entity providing credit enhancement for the Bonds, in any of the securities allowed by A.R.S. § 15-1025, and no further annual consent need be given; provided, however, that the Board, acting through its Superintendent or Executive Director of Finance, may revoke such consent for any fiscal year after fiscal year 2017-2018.

Upon the creation of the trust for payment of the Bonds Being Refunded by the Bonds, all moneys collected thereafter during the current fiscal year which would otherwise have been credited to the Interest and Redemption Funds for the Bonds Being Refunded by the Bonds, shall be credited to the Debt Service Fund.

Section 5. Use of Proceeds. Upon the delivery of and payment for the Bonds in accordance with the terms of their sale, the net proceeds from the sale of the Bonds after payment of Underwriters' discount and the bond insurance premium, if any, shall be set aside, together with certain funds of the District required to pay the Bonds Being Refunded on the redemption date, in a special trust fund for the Bonds maintained by a bank or trust company selected by the Executive Director of Finance as depository trustee (the "*Depository Trustee*") and shall be used to pay, when due, interest on the Bonds to the redemption date of the Bonds Being Refunded by the Bonds and the costs and expenses of issuance of the Bonds, all as more fully described in that certain Depository Trust Agreement for the Bonds, to be dated as of December 1, 2017 (or such other date selected by the Executive Director of Finance) (the "*Depository Trust Agreement*"), by and among the District, the Depository Trustee and the Treasurer. Amounts credited to the trust, other than any beginning cash balance, shall be invested immediately in obligations issued by or guaranteed by the United States of America ("Government Obligations") the maturing principal of and interest on which, together with any beginning cash balance, shall be sufficient to pay (i) the redemption price on the Bonds Being Refunded by the Bonds on the redemption date as provided herein, and (ii) the interest on the Bonds to the Crossover Date. The District may obtain the Government Obligations by (i) direct purchase from the United States Treasury or (ii) purchase in the open market through the engagement of a bidding agent receiving at least three bids from dealers of such investments.

Any balance of the net proceeds of the Bonds remaining after creation of the trust for the Bonds Being Refunded shall be transferred to the District's Debt Service Fund.

Section 6. Form of Bonds. Pursuant to A.R.S. § 35-491, a fully registered bond form is adopted as an alternative to the form of bond provided in A.R.S. § 15-1023. So long as the Book-Entry-Only System is in effect, the Bonds shall be in substantially the form of *Exhibit A*, attached hereto and incorporated by reference herein, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby or by the Purchase Agreement and are approved by those officers executing the Bonds; execution thereof by such officers shall constitute conclusive evidence of such approval. If the Book-Entry-Only System is discontinued, the Bonds shall be reissued in forms and permitted denominations that accommodate the requirements of non-book-entry bonds.

The Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Bond shall show both the date of the issue and the date of such Bond's authentication and registration. The Bonds are prohibited from being converted to coupon or bearer form without the consent of the Board and approval of bond counsel.

Section 7. Execution of Bonds and Other Documents.

A. **Bonds.** The Bonds shall be executed for and on behalf of the District by the President and attested by the Clerk of the Board and countersigned by the Treasurer by their manual or facsimile signatures. In the event the Board does not have a designated Clerk, all members of the Board are hereby designated as Clerk of the District solely for the purpose of attesting the President's signature on the Bonds. If an officer whose signature is on a Bond no

longer holds that office at the time the Bond is authenticated and registered, such Bond shall nevertheless be valid.

A Bond shall not be valid or binding until authenticated by the manual signature of an authorized representative of the Registrar. The signature of the authorized representative of the Registrar shall be conclusive evidence that such Bond has been authenticated and issued pursuant to this resolution.

B. Purchase Agreement. The form of the bond purchase agreement in substantially the form presented to the Board at the meeting at which this resolution was adopted, is hereby approved and the President or any member of the Board is hereby authorized to execute the Purchase Agreement on behalf of the District. The Superintendent or Executive Director of Finance of the District or the President or any member of the Board shall cause the Purchase Agreement to be completed to reflect the terms of the Bonds, including the price at which the Bonds are sold and provisions for original issue premium or original issue discount with respect thereto. The execution and delivery of the Purchase Agreement by the President or any member of the Board shall be conclusive evidence of approval of such final terms and provisions.

C. Registrar Contract. The form of the registrar's contract concerning duties of the Registrar, Transfer Agent and Paying Agent for the Bonds, in substantially the form presented to the Board at the meeting at which this resolution was adopted and on file with the District is hereby approved and the President, any member of this Board or the Superintendent or Executive Director of Finance of the District is hereby directed to execute such contract on behalf of the District with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing the documents and cause such respective contract to be delivered. Execution by such officers shall constitute conclusive evidence of such approval.

D. Depository Trust Agreement. The Depository Trust Agreement in substantially the forms presented to this Board at the meeting at which this resolution was adopted and on file with the District, concerning the refunding of the Bonds Being Refunded are hereby approved and the President, any member of this Board or the Superintendent or Executive Director of Finance of the District is hereby directed to execute such contracts on behalf of the District with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing the documents. Execution by such officers shall constitute conclusive evidence of such approval and cause such contracts to be delivered.

E. Continuing Disclosure Certificate. In order to comply with the provisions of Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934 (the "Rule"), unless an exemption from the terms and provisions of the Rule is applicable to the Bonds, the Superintendent or Executive Director of Finance of the District is hereby authorized and directed to prepare, execute and deliver on behalf of the District a written agreement or undertaking for the benefit of the Owners (including beneficial owners) of the Bonds, in substantially the form presented to the Board and on file with the District. The written agreement or undertaking shall contain such terms and provisions as are necessary to comply

with the Rule including, but not limited to (i) an agreement to provide to the MSRB, the financial information or operating data presented in the final official statement as determined by mutual agreement between the Superintendent or the Executive Director of Finance and the Underwriters and audited financial statements of the District and (ii) an agreement to provide listed events disclosure to the MSRB.

F. Official Statement. The prior preparation and dissemination of a preliminary official statement with respect to the Bonds is hereby ratified and approved and its distribution by the Underwriters is hereby ratified and approved. Such preliminary official statement is in a form that is ratified, approved and deemed "final" for all purposes of the Rule by the President or any member of the Board or the Superintendent or Executive Director of Finance of the District. The District will cause a final official statement (the "*Official Statement*") in substantially the form of the preliminary official statement to be prepared and distributed with the Bonds upon initial issuance. The President or any member of this Board is authorized to approve, execute and deliver the Official Statement on behalf of the District and the execution by the President or such other officer shall be deemed conclusive evidence of such approval. The preliminary official statement and the Official Statement may be prepared in conjunction with, and may be part of the same document as, the preliminary official statement and the Official Statement for any other bonds which may be issued by the District.

Section 8. Mutilated, Lost or Destroyed Bonds. In case any Bond becomes mutilated or destroyed or lost, the Registrar shall cause to be executed and delivered a new Bond of like series, date and tenor in exchange and substitution for and upon the cancellation of the mutilated Bond or in lieu of and in substitution for the Bond destroyed or lost, upon the Owner's paying the reasonable expenses and charges of the District in connection therewith and, in the case of the Bond destroyed or lost, filing with the Registrar and the Treasurer of evidence satisfactory to the Registrar and the Treasurer that such Bond was destroyed or lost, and furnishing the Registrar and the Treasurer with a sufficient indemnity bond pursuant to A.R.S. § 47-8405, Arizona Revised Statutes.

Section 9. Acceptance of Offer; Sale of Bonds; Purchase Agreement Approval. The Underwriters propose to purchase the Bonds pursuant to the form of the Purchase Agreement presented to this Board at the meeting at which this resolution was adopted. Such proposal as supplemented by final terms that are within the parameters set by this resolution is hereby accepted. When the final terms of the Bonds are known, the Purchase Agreement shall be finalized. The Superintendent or the Executive Director of Finance or President or any member of the Board are authorized and directed to cause the Purchase Agreement to be completed and executed; provided, however, that the parameters of this resolution shall govern the Purchase Agreement and neither the Superintendent nor the Executive Director of Finance is authorized to insert in the Purchase Agreement any terms or conditions contrary to this resolution. Upon the proper completion, execution and delivery of the Purchase Agreement, the Bonds are ordered sold to the Underwriters pursuant to the Purchase Agreement.

The Treasurer is hereby authorized and directed to cause the Bonds to be delivered to or upon the order of the Underwriters upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the terms of the

Purchase Agreement. Any other provision of this resolution to the contrary notwithstanding, the Bonds shall not be sold for less than par.

Section 10. Registrar and Paying Agent. If the Book-Entry-Only system is discontinued, the District will maintain an office or agency where the registered owners of the Bonds will be recorded in the registration books and the Bonds may be presented for registration or transfer (such entity performing such function shall be the "*Registrar*") and an office or agency where Bonds may be presented for payment (such entity performing such function shall be the "*Paying Agent*"). Bonds shall be paid by the Paying Agent in accordance with Section 2D of this resolution. The District may appoint one or more co-Registrars or one or more additional Paying Agents. The Registrar and Paying Agent may make reasonable rules and set reasonable requirements for their respective functions with respect to the Owners of the Bonds.

The Superintendent or Executive Director of Finance shall solicit pricing quotes to act as Registrar and Paying Agent with respect to the Bonds and shall select a Registrar and Paying Agent in the best interests of the District. The District may change the Registrar or Paying Agent without notice to or consent of Owners of the Bonds and the District may act in any such capacity.

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

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

The Registrar shall keep a separate register for the Bonds which shall show the Owners of the Bonds and any transfer of the Bonds. When Bonds are presented to the Registrar or a co-registrar with a request to register a transfer, the Registrar shall register the transfer on the proper registration books if its requirements for transfer are met and shall authenticate and deliver one or more Bonds registered in the name of the transferee of the same principal amount, maturity or payment date and rate of interest as the surrendered Bonds. All transfer fees and costs shall be paid by the transferor.

The Registrar may, but shall not be required to, transfer or exchange any Bonds during the period commencing on the Record Date to and including the respective Interest Payment 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 fifteen (15) days before a selection of Bonds to be redeemed; if the transfer of any Bond which has been called or selected for call for redemption in whole or in part is registered, any notice of redemption which has been given to the transferor will be binding upon the transferee and a copy of the notice of redemption will be delivered to the transferee along with the Bond or Bonds. If the Registrar transfers or exchanges Bonds within the period referred to above, interest on such

Bonds shall be paid to the person who was the Owner at the close of business of the Registrar on the Record Date as if such transfer or exchange had not occurred.

The Registrar shall authenticate Bonds for original issue in the aggregate principal amount of not to exceed \$63,655,000 upon the written request of the Treasurer. The aggregate principal amount of Bonds outstanding at any time may not exceed those amounts except for replacement Bonds as to which the requirements of the Registrar and the District are met.

Section 11. Resolution a Contract. This resolution shall constitute a contract between the District and the Owners of the Bonds and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the Owners of the Bonds then outstanding. The performance by the Board of the obligations in this resolution, the Bonds and the other agreements listed in Section 7(B) through (F), inclusive, of this resolution is hereby authorized, approved, ordered and directed.

Section 12. Ratification of Actions. All actions of the officers and agents of the District which conform to the purposes and intent of this resolution and which further the issuance and sale of the Bonds as contemplated by this resolution whether heretofore or hereafter taken are hereby ratified, confirmed and approved. The proper officers and agents of the District are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the District as may be necessary to carry out the terms and intent of this resolution.

This Board hereby acknowledges Gust Rosenfeld P.L.C.'s representation of the Underwriters in matters not involving the District or the Bonds and hereby consents to the representation of the District in the matters set forth in this resolution.

Section 13. Bonds Being Refunded. Some or all of the maturities of the Prior Bonds shown on the chart below, together with such other Prior Bonds as may be selected by the Superintendent or Executive Director of Finance, may be refunded as Bonds Being Refunded hereunder. The Board orders that the Bonds Being Refunded and the times that the Bonds Being Refunded will be redeemed will be determined by the Superintendent or Executive Director of Finance and will be as set forth in the Official Statement. If required by A.R.S. § 35-473.01(A), the weighted average maturity of the Bonds shall be at least 75% of the weighted average maturity of the Bonds Being Refunded.

| Issue (Dated Date) | Name | Original Principal Amount | Maturities Being Refunded | Principal Amount Being Refunded | Redemption Date (July 1) | Redemption Price of Bonds Being Refunded (% of principal) |
|--------------------|---|---------------------------|---------------------------|---------------------------------|--------------------------|---|
| 7/14/2010 | School Improvement Bonds, Project of 2004, Federally Taxable Series E-2 (2010) (Build America Bonds – Direct Payment) | \$3,720,000 | 2018 | \$3,720,000 | 2018 | 100% |
| | | 3,865,000 | 2019 | 3,865,000 | 2019 | 100% |
| | | 4,020,000 | 2020 | 4,020,000 | 2020 | 100% |
| | | 4,180,000 | 2021 | 4,180,000 | 2021 | 100% |
| | | 4,390,000 | 2022* | 4,390,000 | 2022 | 100% |
| | | 4,570,000 | 2023* | 4,570,000 | 2023 | 100% |
| | | 4,800,000 | 2024* | 4,800,000 | 2024 | 100% |
| | | 5,040,000 | 2025 | 5,040,000 | 2025 | 100% |
| | | 5,290,000 | 2026** | 5,290,000 | 2026 | 100% |
| | | 5,555,000 | 2027** | 5,555,000 | 2027 | 100% |
| | | 5,805,000 | 2028** | 5,805,000 | 2028 | 100% |
| 6,015,000 | 2029** | 6,015,000 | 2029 | 100% | | |
| 6,405,000 | 2030 | 6,405,000 | 2030 | 100% | | |

*Mandatory Redemption Date for July 1, 2025 Term Bond

**Mandatory Redemption Date for July 1, 2030 Term Bond

Section 14. Tax Covenant. In consideration of the purchase and acceptance of the Bonds by the Owners thereof and, as authorized by A.R.S., Title 35, Chapter 3, Article 7, and in consideration of retaining the exclusion of interest income on the Bonds, the District covenants with the Owners from time to time of the Bonds to neither take nor fail to take any action which action or failure to act is within its power and authority and would result in interest income on the Bonds becoming subject to inclusion as gross income for federal income tax purposes under either laws existing on the date of issuance of the Bonds or such laws as they may be modified or amended.

The President or any member of the Board, the District's Superintendent or Executive Director of Finance is authorized to execute and deliver all closing documents incorporating the District's representations necessary to exclude the interest on the Bonds from gross income for federal income tax purposes and other matters pertaining to the sale of the Bonds as required by bond counsel. The District's Superintendent or Executive Director of Finance, the Treasurer or a partner of Gust Rosenfeld P.L.C., bond counsel to the District ("*Bond Counsel*"), is authorized to execute and file on behalf of the District information reporting returns and to file or deliver such other information as may be required by Section 149(e) of the Code.

The Board further authorizes the employment of such experts and consultants to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with Section 148(f) of the Code. The President, any member of the Board, or the Superintendent or Executive Director of Finance of the District are authorized to make any applicable elections necessary to avoid the rebate to the federal government of certain of the investment earnings attributable to the Bonds.

The District agrees that it will comply with such requirements and will take any such actions as in the opinion of Bond Counsel are necessary to prevent interest income on the Bonds from becoming subject to inclusion in gross income for federal income tax purposes. Such requirements may include but are not limited to making further specific covenants; making truthful certifications and representations and giving necessary assurances; complying with all representations, covenants and assurances contained in certificates or agreements to be prepared by Bond Counsel; to pay to the United States of America any required amounts representing yield reduction payments or rebates of arbitrage profits relating to the Bonds; filing forms, statements and supporting documents as may be required under the federal tax laws; limiting the term of and yield on investments made with moneys relating to the Bonds; and limiting the use of the proceeds of the Bonds and property financed thereby.

The Board hereby authorizes the Executive Director of Finance, or her designee, to represent and act for the District in all matters pertaining to the District's tax-exempt bonds, as may be necessary to comply, on a continuing basis, with the Internal Revenue Service, SEC and other governmental entities requests, reporting requirements and post issuance compliance policies and matters.

Section 15. Bonds Not Qualified Tax-Exempt Obligations. The Bonds are not "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Section 16. Other Moneys. The Treasurer is authorized and directed to transfer such amounts of money from the District's Principal and Interest Redemption Funds as are or may be necessary to complete the refunding of the Bonds Being Refunded.

Section 17. Bond Insurance or Credit Enhancement. The District is hereby authorized to expend or cause to be expended Bond proceeds to purchase bond insurance or other credit enhancements for the Bonds if deemed to be in the District's best interest.

Section 18. Severability. If any section, paragraph, subdivision, sentence, clause or phrase of this resolution is for any reason held to be illegal, invalid or unenforceable, such decision will not affect the validity of the remaining portions of this resolution. The Board hereby declares that it would have adopted this resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this resolution may be held illegal, invalid or unenforceable.

PASSED, ADOPTED AND APPROVED by the Governing Board of Tucson Unified School District No. 1 of Pima County, Arizona, on December 12, 2017.

President

ATTEST:

Clerk

EXHIBIT A

(Form of Book-Entry-Only Bond)

Number: R- _____

Denomination: _____

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Registrar (or any successor registrar) for registration of transfer, exchange, or payment, and any Bond issued 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.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
OF PIMA COUNTY, ARIZONA
REFUNDING BONDS, SERIES 2017
(2020 CROSSOVER)**

| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Original Dated Date</u> | <u>CUSIP No.</u> |
|----------------------|----------------------|----------------------------|------------------|
| _____% | July 1, 20__ | _____, 2017 | 721799__ |

Registered Owner: Cede & Co.

Principal Amount: _____ AND NO/100 DOLLARS (\$_____)

TUCSON UNIFIED SCHOOL DISTRICT NO. 1 OF PIMA COUNTY, ARIZONA (the "*District*"), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns as provided herein, on the maturity date set forth above, the principal amount set forth above, and to pay interest on the unpaid principal amount at the interest rate shown above.

INSERT CALL FEATURE IF APPLICABLE

Interest is payable on January 1 and July 1 of each year commencing _____ 1, 2018, and will accrue from the most recent date to which interest has been paid, or, if no interest has been paid, from the original dated date set forth above. Interest will be computed on the basis of a year comprised of 360 days consisting of twelve (12) months of thirty (30) days each.

Principal of and interest on this bond are payable in lawful money of the United States of America. Interest payments and principal payments that are part of periodic principal and interest payments shall be received by Cede & Co., as nominee of DTC, or its registered assigns in same-day funds no later than the time established by DTC on each interest or principal payment date in accordance with existing arrangements between the District and DTC.

The "Record Date" for this bond will be the close of business of the registrar on the fifteenth (15th) day of the month preceding an interest payment date.

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 series of bonds of which this is one, together with all other indebtedness of the District, is within every debt and other limit prescribed by the Constitution and laws of the State of Arizona, and that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon all of the taxable property in the District for the payment of this bond and of the interest hereon as each becomes due, as limited as described herein.

This bond is one of a series of general obligation refunding bonds in the aggregate principal amount of \$_____ of like tenor except as to amount, maturity date, interest rate and number, issued by the District to provide funds to refund certain previously issued and outstanding bonds of the District on July 1, 2020 (the "*Crossover Date*"), pursuant to a resolution of the Governing Board of the District duly adopted prior to the issuance hereof (the "*Resolution*"), and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of school district refunding bonds, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling.

Prior to the Crossover Date, interest on this bond shall be secured by amounts on deposit in a trust funded with a portion of the proceeds of the bonds.

After the Crossover Date, for the punctual payment of this bond and the interest hereon and for the levy and collection of ad valorem taxes on all taxable property within the District sufficient for that purpose, the full faith and credit of the District are hereby irrevocably pledged; provided, however, that the total aggregate of taxes levied to pay principal and interest on the issue of bonds of which this bond is one, in the aggregate shall not exceed the total aggregate principal and interest to become due on the bonds being refunded from the date of issuance of the issue of bonds of which this bond is a part to the final date of maturity of the bonds being refunded; and subject, further, to the rights vested in the owners of the bonds being refunded by the bonds of this issue to the payment of such bonds being refunded from the same tax source in the event of a deficiency in the moneys and obligations issued by or guaranteed by the United States of America purchased from the proceeds of the sale of the bonds of this issue and placed in trust for the purpose of providing for payment of principal of and interest on the bonds being refunded. The owner of this bond must rely on the sufficiency of the moneys and obligations placed irrevocably in trust for payment of the bonds being refunded.

The owner of this bond acknowledges and agrees that this bond does not enjoy a lien on moneys in the District's Debt Service Fund enjoyed by holders of the District's school improvement bonds.

So long as the book-entry-only system is in effect, this bond is non-transferable, except as provided in the agreement with the securities depository. If the book-entry-only system is discontinued, this bond is transferable by the registered owner in person or by attorney duly authorized in writing at the designated office of the registrar, which on the original issue date is the corporate trust office of _____ upon surrender and cancellation of this bond. Upon such transfer a new bond or bonds of the same maturity date and interest rate will be issued to the transferee in exchange. Bonds of this issue will be issued only in fully registered form in the denomination of \$5,000 of principal or integral multiples thereof. The registrar or paying agent

may be changed by the District without notice.

The District, the registrar and the paying agent may treat the registered owner of this bond as the absolute owner for the purpose of receiving principal and interest and for all other purposes and none of them shall be affected by any notice to the contrary.

The District has caused this bond to be executed by the President and attested by the Clerk of its Governing Board and countersigned by the Treasurer, which signatures may be facsimile signatures. This bond is not valid or binding upon the District without the manually affixed signature of an authorized representative of the registrar. This bond is prohibited from being issued in coupon or bearer form without the consent of the Governing Board of the District, and the occurrence of certain other conditions.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
OF PIMA COUNTY, ARIZONA**

President, Governing Board

ATTEST:

Clerk, Governing Board

COUNTERSIGNED:

Treasurer, Pima County, Arizona

DATE OF AUTHENTICATION AND REGISTRATION: _____, 2017

AUTHENTICATION CERTIFICATE

This bond is one of the Tucson Unified School District No. 1 of Pima County, Arizona Refunding Bonds, Series 2017 (2020 Crossover), described in the Resolution.

_____, as Registrar

Authorized Representative

(INSERT INSURANCE STATEMENT HERE, IF APPLICABLE)

FORM OF ASSIGNMENT

The following abbreviations, when used on 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

ASSIGNMENT

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

(Name and Address 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 within registered bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Firm or Bank

Authorized Signature

Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other program acceptable to the Registrar

ALL FEES AND TRANSFER COSTS SHALL BE PAID BY THE TRANSFEROR