

RESOLUTION NO. __

A RESOLUTION OF THE BOARD OF SUPERVISORS OF COCHISE COUNTY, ARIZONA ORDERING THE REDEMPTION PRIOR TO MATURITY OF CERTAIN CERTIFICATES OF PARTICIPATION HERETOFORE ISSUED ON BEHALF OF COCHISE COUNTY; ORDERING PAYMENT OF ALL OUTSTANDING CERTIFICATES ON AUGUST 1, 2014; AND ORDERING PAYMENT OF NOT TO EXCEED \$2,355,000 TO THE SUCCESSOR TRUSTEE FOR PAYMENT OF SUCH CERTIFICATES AND FURTHER ORDERING THAT ALL MONEYS AND INVESTMENTS IN THE RESERVE FUND OR OTHER FUND HELD BY THE SUCCESSOR TRUSTEE FOR SUCH CERTIFICATES BE APPLIED TO SUCH PAYMENT AND REDEMPTION.

WHEREAS, \$9,500,000 (original amount) of Certificates of Participation, Series 2002 (the "*Certificates*"), evidencing a proportionate share of the owners thereof in a lease-purchase agreement between Cochise County, Arizona (the "*County*"), PHS Mortgage, Inc. and Bank One, Arizona, NA, as trustee (the "*Original Trustee*"), originally dated December 1, 1996, amended as of October 1, 2002 and as of March 1, 2003 (as so amended, the "*Lease-Purchase Agreement*") were issued pursuant to a trust agreement between by and between Bank One, Arizona, NA, as trustee, PHS mortgage, Inc., as Lessor, and Cochise County, Arizona, as lessee, originally dated as of December 1, 1996, and supplemented by the First Supplement to Trust Agreement dated as of October 1, 2002 (as supplemented, the "*Trust Agreement*"); and

WHEREAS, the Trust Agreement has been assigned by the Original Trustee to The Bank of New York Mellon Trust Company, N.A. (the "*Successor Trustee*"); and

WHEREAS, \$2,420,000 principal amount of the Certificates, which mature after August 1, 2014, are still outstanding and are subject to call for redemption on any interest payment date on or after August 1, 2013; and

WHEREAS, the next interest payment date on the Certificates is August 1, 2014; and

WHEREAS, \$745,000 principal amount of the Certificates mature on August 1, 2014 and \$67,412.50 of interest on all outstanding Certificates will come due on August 1, 2014; and

WHEREAS, on February 28, 2014 the Reserve Fund (as defined in the Trust Agreement) contains cash and short-term investments of \$878,502.58; and

WHEREAS, the amount available in the Reserve Fund together with \$2,353,909.92 to be provided by the County will be sufficient to pay interest on all outstanding Certificates coming due on August 1, 2014, \$745,000 of principal maturing August 1, 2014 and \$2,420,000 of Certificates to be called for redemption prior to their respective maturity dates on August 1, 2014; and

WHEREAS, this Board of Supervisors (this "*Board*") of the County hereby finds and determines that payment of the principal and interest coming due on August 1, 2014 on then maturing Certificates and the redemption prior to their maturity of all remaining Certificates that

mature after August 1, 2014 is in the County's best interest and should be provided for by payment from any lawfully available moneys of the County to the Successor Trustee, such payment to be made to the Successor Trustee not later than June 27, 2014; and

WHEREAS, by this Resolution this Board will order the payment to the Successor Trustee of a sum of not more than \$2,355,000 and the liquidation by the Successor Trustee of any investments in the Reserve Fund or any other Fund created pursuant to the Trust Agreement and use of such proceeds to pay interest on all Certificates due on August 1, 2014, to pay the principal of all Certificates maturing on August 1, 2014, and to pay and redeem all Certificates maturing after August 1, 2014 in the manner provided in Exhibit B attached hereto and incorporated by reference thereto; and

WHEREAS, the Successor Trustee shall also be irrevocably ordered and directed to give notice of such redemption prior to maturity to the registered owners of the Certificates, in the manner provided in the Trust Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF COCHISE COUNTY, ARIZONA, as follows:

Section 1. The sum of \$2,355,000 is hereby appropriated from any lawful funds of the County. The County Treasurer is ordered and directed to pay not more than such amount, on or before June 30, 2014, to the Successor Trustee and to obtain the Successor Trustee's receipt thereof. The Successor Trustee is hereby ordered and directed to apply a portion of such funds to the payment of both principal and interest coming due on all outstanding Certificates on August 1, 2014. The Successor Trustee is further ordered and directed to liquidate and apply all cash and investments in the Reserve Fund or any other Funds created to secure the Certificates; and to use the proceeds of such cash and investments and the balance of the amount appropriated hereby, to redeem of all Certificates maturing after August 1, 2014 on August 1, 2014.

Section 2. The Chair of this Board is hereby ordered and directed to execute Exhibit A attached hereto and the Clerk of this Board is ordered and directed to attest to such signature. The Clerk of this Board and the Treasurer are hereby ordered and directed to cause the attached Exhibits A and B to be delivered to the Successor Trustee and to obtain the Successor Trustee's receipt thereof. The Successor Trustee is ordered and directed to execute the attached Exhibit B, and to cause the same to be either mailed or electronically transmitted to the registered owner(s) of the Certificates in the manner set forth at the foot of Exhibit B. Upon payment of the moneys appropriated herein, or as ordered and directed herein, the Clerk of this Board or Gust Rosenfeld P.L.C., bond counsel with respect to the Certificates, shall cause the attached Exhibit C to be filed electronically with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA"):

Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314
Tel: 703-797-6600
Fax: 703-797-6700
<http://emma.msrb.org/>

PASSED AND ADOPTED BY THE BOARD OF THE SUPERVISORS OF COCHISE COUNTY, ARIZONA this 22nd day of April, 2014.

Chairman, Board of Supervisors

Clerk

CERTIFICATION

I hereby certify that the foregoing Resolution No. _____ was duly passed and adopted by the Board of Supervisors of Cochise County, Arizona, at a meeting held on the 22nd day of April, 2014, and the vote was _____ aye's and _____ nay's and that _____ members were present at such meeting.

Clerk, Board of Supervisors

EXHIBIT A

**\$9,500,000 (original amount)
CERTIFICATES OF PARTICIPATION, SERIES 2002
Evidencing a proportionate interest of the
Owners thereof in a Lease Agreement between**

**COCHISE COUNTY, ARIZONA,
PHS MORTGAGE INC.
and
BANK ONE, ARIZONA, NA, as Trustee**

Dated: December 1, 1996 and amended as of October 1, 2002

**NOTICE OF TENDER OF MONEYS AND IRREVOCABLE
INSTRUCTIONS TO REDEEM ALL OUTSTANDING
CERTIFICATES OF PARTICIPATION, SERIES 2002,
MATURING ON OR AFTER AUGUST 1, 2014
IN ADVANCE OF MATURITY AND RECEIPT**

TO: THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

Cochise County (the "*County*") hereby delivers to you the sum of \$_____ to be used solely and only to redeem all outstanding Cochise County Certificates of Participation, Series 2002 (the "*Certificates*"), evidencing a proportionate interest of the Owners thereof in a Lease Agreement dated as of December 1, 1996, and amended as of October 1, 2002, and as of March 1, 2003 (the "*Lease Agreement*") between the County and PHS Mortgage, Inc. originally assigned to Bank One, Arizona, NA (the "*Initial Trustee*"). A Trust Agreement originally dated as of December 1, 1996 and supplemented by the First Supplement to Trust Agreement, dated as of October 1, 2002, securing the Certificates (the "*Trust Agreement*") and the Lease Agreement have been assigned to The Bank of New York Mellon Trust Company, N.A. (the "*Successor Trustee*"), by the Initial Trustee. The amount delivered is a prepayment of all unpaid Lease Payments under the Lease Agreement (including, without limitation, payment of all principal and interest coming due on August 1, 2014, and on respective maturities of the remaining Certificates that are to be called for redemption on August 1, 2014). The Trust Agreement was supplemented as of October 1, 2002 to provide the issuance of, and security for, the Certificates. The amount tendered shall be immediately deposited to the Lease-Purchase Fund created pursuant to the Trust Agreement Section 15.01(b) and invested in "*Permitted Investments*" as defined in the Trust Agreement.

You are instructed to invest the amount so delivered in Permitted Investments (as defined in the Trust Agreement). All such investments shall mature no later than August 1, 2014. All investment income on the amount delivered shall remain in the Lease-Purchase Fund until applied to pay the Certificates in the manner set forth above.

Further, you are irrevocably instructed to redeem and pay in advance of maturity on August 1, 2014 all Certificates maturing after August 1, 2014. You are further instructed to also use any and all moneys and liquidate all investments in the Reserve Fund or any other fund created under the Trust Agreement for such purpose. The amount delivered includes an amount that when aggregated with the moneys and investments in the Reserve Fund is sufficient to pay all principal and interest coming due on August 1, 2014 on the above-captioned Certificates and the principal amount of the Certificates maturing after August 1, 2014. Any amounts remaining in any account created under the Trust Agreement after full payment and redemption of all Certificates shall be paid to the County.

You are further irrevocably instructed to give notice of the deposit and or redemption of all Certificates maturing after August 1, 2014, by first class mail (or, if the registered owner is The Depository Trust Company ("*DTC*"), by electronic means as provided under *DTC*'s rules) to the registered Owners of the Certificates to be redeemed in advance of their respective payment dates as required by Section 15.01 of the Trust Agreement. A draft of the Notice of Redemption is attached hereto.

This notice is given pursuant to an official action of the Board of Supervisors of Cochise County taken on _____, 2014.

Chairman, Board of Supervisors of
Cochise County, Arizona

ATTEST:

Clerk, Board of Supervisors of
Cochise County, Arizona

RECEIPT

Receipt of \$_____ and the foregoing Irrevocable Instructions to redeem the Certificates (as described in such instructions) maturing on or after August 1, 2014, is hereby acknowledged this _____ day of _____, 2014.

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.** Successor Trustee

By: _____
Title: _____

EXHIBIT B

NOTICE OF REDEMPTION

of the following obligations:

\$9,500,000 (original amount)
CERTIFICATES OF PARTICIPATION, SERIES 2002
Evidencing a proportionate interest of the
Owners thereof in a Lease Agreement between

COCHISE COUNTY, ARIZONA,
PHS MORTGAGE INC.
and
BANK ONE, ARIZONA, NA, as Trustee

Dated: December 1, 1996 and amended as of October 1, 2002

Notice is hereby given that the following principal amounts of the above-referenced Certificates of Participation now outstanding and unpaid have been called for redemption in advance of their respective maturity dates and will be redeemed on August 1, 2014. The maturity dates and amounts of the Certificates of Participation to be redeemed are as follows:

<u>Cusip</u>	<u>Maturity Date</u> <u>(August 1)</u>	<u>And</u> <u>Coupon</u>	<u>Principal</u> <u>Amount</u> <u>Outstanding</u>	<u>Principal</u> <u>Amount</u> <u>Refunded</u>	<u>Redemption</u> <u>Date</u> <u>(August 1)</u>	<u>Redemption</u> <u>Premium</u> <u>(As a Percentage</u> <u>of Principal)</u>
191314CG6	2015	4.00%	\$ 775,000	\$ 775,000	2014	0.00%
191314CH4	2016	4.50%	805,000	805,000	2014	0.00%
191314CJ0	2017	4.50%	840,000	840,000	2014	0.00%

Owners of the above-described Certificates called for redemption are notified to present the same at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., Successor Trustee, on or after August 1, 2014, the date set for redemption, where redemption will be made by payment of the face amount of each such Certificate plus accrued interest to the date set for redemption but without premium. All Certificates so called for redemption must be surrendered and no interest will be paid on the above-described Certificates from and after the redemption date. The Successor Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Certificate. They are included solely for the convenience of the holders.

DATED: _____, 2014.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A. Successor Trustee

By: _____
Title: _____

The following is not part of this notice:

Notice of such redemption will be mailed or transmitted by electronic means to The Depository Trust Company (DTC) at least 30 days, but not more than 60 days, prior to the redemption date. Neither failure to receive such notice, nor any defect in any notice so mailed, shall affect the sufficiency of the proceedings for the redemption of such Certificates; provided, however, if the book-entry-only system administered by DTC has been discontinued at the time such notice is given, such notice will be given by mail, at least thirty (30) days, but not more than sixty (60) days prior to such redemption, to each registered Owner of a Series 2002 Certificate called for redemption at such Owner's last known address as shown on the books of the Registrar.

RECEIPT

Receipt of \$_____ and the foregoing notice of redemption of the Certificates (as described in such instructions) maturing on or after August 1, 2014, is hereby acknowledged this _____ day of _____, 2014.

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,** Successor Trustee

By: _____
Title: _____

EXHIBIT C

NOTICE OF DEFEASANCE

of the following obligations:

\$9,500,000 (original amount)

CERTIFICATES OF PARTICIPATION, SERIES 2002

**Evidencing a proportionate interest of the
Owners thereof in a Lease Agreement between**

**COCHISE COUNTY, ARIZONA,
PHS MORTGAGE INC.**

and

BANK ONE, ARIZONA, NA, as Trustee

Dated: December 1, 1996 and amended as of October 1, 2002

Notice is hereby given that the following principal amounts of the above-referenced Certificates of Participation (the "*Certificates*") now outstanding and unpaid have been defeased by Cochise County (the "*County*") posting with The Bank of New York Mellon Trust Company, N.A., Successor Trustee, funds intended to, when combined with the current Reserve Fund investments and any other moneys held by the Successor Trustee for payment of the Certificates, redeem the following Certificates in advance of their respective maturity dates and has directed that they be redeemed on August 1, 2014. The maturity dates and amounts of the Certificates to be redeemed are as follows:

<u>CUSIP</u>	<u>Maturity Date</u> (<u>August 1</u>)	<u>Coupon</u>	<u>Principal Amount</u> <u>Outstanding</u>	<u>Principal Amount</u> <u>Defeased</u>	<u>Redemption Date</u> (<u>August 1</u>)	<u>Redemption Premium (As a Percentage of Principal)</u>
191314CG6	2015	4.00%	\$ 775,000	\$ 775,000	2014	0.00%
191314CH4	2016	4.50%	805,000	805,000	2014	0.00%
191314CJ0	2017	4.50%	840,000	840,000	2014	0.00%

In addition, sufficient moneys have been paid to the Successor Trustee to pay all principal and accruing interest on the following Certificate at its maturity on August 1, 2014:

CUSIP No. 191314CF8, maturity date August 1, 2014 amount of \$745,000.

The Successor Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Certificate. They are included solely for the convenience of the holders.

DATED: _____, 2014.

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A. , Successor Trustee**

By: _____
Title: _____