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***VIA E-Z MESSENGER***

August 21, 2013

**PIMA COUNTY BOARD OF SUPERVISORS**

Ms. Robin Brigode, Clerk  
County Administration Building  
130 West Congress Street, 5<sup>th</sup> Floor  
Tucson, Arizona 85701

Re: The Industrial Development Authority of the County of Pima – Notice of  
Intention to Issue Bonds – Education Facility Revenue Bonds (LEAD  
Charter Schools Project), Series 2013 – In an Amount Not to Exceed  
\$11,000,000

Dear Ms. Brigode:

I have enclosed the letter describing the Bonds, the Fact Summary and the Resolution of the Board of Supervisors for the above-captioned bonds. I will forward three (3) original Resolutions of the Board of Supervisors to you once they have been signed by Kutak Rock LLP, Bond Counsel. Please return two copies of the executed Resolution of the Board of Supervisors once it has been approved and executed.

It is my understanding that you will place this matter on the Board of Supervisors' September 3, 2013 Meeting Agenda.

Should you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

Sincerely,

RUSSO, RUSSO & SLANIA, P.C.

/s/

Michael A. Slania  
Attorney for the Authority

MAS/ala  
Enclosures

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August 21, 2013

Mr. Ramón Valadez, Chairman

Ms. Sharon Bronson

Mr. Raymond Carroll

Mr. Richard Elias

Ms. Ally Miller

**PIMA COUNTY BOARD OF SUPERVISORS**

County Administration Building

130 West Congress Street, 11<sup>th</sup> Floor

Tucson, Arizona 85701

Re: The Industrial Development Authority of the County of Pima – Notice of Intention to Issue Bonds – Education Facility Revenue Bonds (LEAD Charter Schools Project), Series 2013 – In an Amount Not to Exceed \$11,000,000

Mr. Chairman and Members of the Board:

As part of its program for financing Arizona charter schools, at its regular meeting held on August 16, 2013, The Industrial Development Authority of the County of Pima granted its final approval to a resolution authorizing the issuance of its Education Facility Revenue Bonds (LEAD Charter Schools Project), Series 2013, in one or more series (the “*Bonds*”), in an aggregate principal amount not to exceed \$11,000,000, the proceeds of which will be loaned to LEAD Charter Schools (the “*Borrower*”), an Arizona nonprofit corporation which is exempt from taxation under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended (the “*Code*”).

As always, this issuance of the Bonds is subject to the approval of the Pima County Board of Supervisors. Therefore, the Authority respectfully requests that this matter be placed on the Board of Supervisors’ Regular Meeting Agenda scheduled for September 3, 2013, for the purpose of having the Board of Supervisors approve the action of the Authority. Enclosed herewith are the following:

1. Fact Summary; and
2. Resolution of the Board of Supervisors.

Attached is a copy of the Resolution adopted and approved by the Authority. In the opinion of Bond Counsel, no public hearing is required to be held pursuant to the Code and Federal Income Tax Regulations relating to the issuance of the Bonds.

The proceeds of the Bonds will be loaned to the Borrower for the purposes of (i) financing and/or refinancing and/or reimbursing the costs of acquisition, construction, improvement, renovation, operation and equipping of charter school facilities located in Gilbert and Queen Creek, Arizona, (ii) funding of any required reserves as set forth in the Indenture, (iii) paying capitalized interest, if any, on the Bonds, and (iv) paying certain issuance expenses (the "*Project*").

The Bonds will be issued in accordance with Title 35, Chapter 5, of the Arizona Revised Statutes, as amended (the "*Act*"). The Underwriter will sell the Bonds as unrated bonds in authorized denominations of \$25,000 and \$5,000 thereafter, subject to an investor letter. The Bonds will be publicly sold through an Official Statement by Dougherty & Company, LLC, the Underwriter selected by the Borrower. The Bonds are not part of any pool bond issue.

As always, the Bonds will be special limited obligations of the Authority and will be payable solely from payments made by the Borrower pursuant to the Loan Agreement and secured by one or more deeds of trust on the Facilities and pledged to the Bondholders pursuant to an Indenture of Trust, between the Authority and BOKF, NA, dba Bank of Arizona, as trustee. Neither the faith and credit, nor the taxing power of the Authority or Pima County or any other political subdivision thereof, will be pledged to the payment of the Bonds. The Authority has no taxing power.

I will be available prior to the meeting to answer any questions you may have, or to meet with you at your convenience.

Thank you for your consideration of this matter.

Sincerely,

RUSSO, RUSSO & SLANIA, P.C.

/s/

Michael A. Slania  
Attorney for the Authority

MAS/ala  
Enclosures

c: Ms. Robin Brigode (w/enclosures)  
Regina Nassen, Esq., Counsel to the Board  
Mr. Charles Huckelberry, Pima County Administrator  
Mr. Hank Altha, Deputy Pima County Administrator

# FACT SUMMARY

## THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA EDUCATION FACILITY REVENUE BONDS (LEAD CHARTER SCHOOLS PROJECT), SERIES 2013

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The following is a brief Fact Summary of the proposed bond issue.

The Bonds .....	As part of its program for financing Arizona charter schools, the Authority will issue its Education Facility Revenue Bonds (LEAD Charter Schools Project), Series 2013, in one or more series (the “Bonds”) in an original principal amount not to exceed \$11,000,000 and a maturity date not to exceed 40 years. The Bonds will bear interest at a fixed rate. The average interest rate on the Bonds shall not be greater than twelve percent (12%) per annum. The Bonds may be redeemed at the option of the Borrower with the consent of the Authority and, under certain circumstances, must be redeemed prior to their stated maturity date.
Sale .....	The Bonds will be issued without a rating, but in minimum denominations of \$25,000 (and \$5,000 thereafter) and sold only to “Qualified Institutional Buyers” within the meaning of Rule 144A of the rules adopted pursuant to the Securities Act of 1933, as amended, or “Accredited Investors” within the meaning of Rule 501 of the rules governing the limited offering and sale of securities without registration adopted pursuant to the Securities Act of 1933, as amended, as evidenced by an investor letter. The Bonds will be sold by Dougherty & Company, LLC pursuant to an Official Statement. The Bonds will not be part of a charter school pool issue.
The Borrower .....	LEAD Charter Schools, is an Arizona nonprofit corporation which has received its status as exempt from taxation under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended (the “Code”). The Borrower will own the building, equipment and improvements to be financed and/or refinanced with proceeds of the Bonds.
The Project .....	The Project will consist of financing and/or refinancing and/or reimbursing the costs relating to the charter school facilities located at 7377 West Hunt Highway in Queen Creek, Arizona (the “Queen Creek Site”) and 717 West Ray Road in Gilbert, Arizona (the “Gilbert Site”). The Queen Creek Site consists of a charter school facility currently leased by the Borrower, which consists of (i) approximately 3.1 acres of land on which sits approximately 11,600 square feet of facilities with classrooms and multipurpose rooms, and (ii) approximately 2.5 additional acres of vacant land. The Gilbert

Site will consist of a charter school facility of approximately 6 acres of land with one building of roughly 60,000 square feet; this renovation will expand the building to an approximate total of 75,000 square feet.

Bond Proceeds .....

The proceeds of the Bonds will be used for the (i) financing and/or refinancing and/or reimbursing the costs of acquisition, construction, improvement, renovation, operation and equipping of the Queen Creek Site and the Gilbert Site, (ii) funding of any required reserve funds, as set forth in the Indenture, (iii) paying capitalized interest, if any, on the Bonds and (iv) paying certain issuance expenses.

Documentation .....

Pursuant to the Loan Agreement between the Authority and the Borrower, the Borrower has agreed to make payments to the Authority sufficient to pay the principal of, premium, if any, and interest on the Bonds when due. The Borrower's obligations under the Loan Agreement will be secured by one or more deeds of trust which will be recorded on the Queen Creek Site and the Gilbert Site.

Security for the Bonds .....

The payment of the Bonds will be secured by (a) a mortgage lien and security interest in the land, buildings, fixtures and equipment owned by the Borrower at the Queen Creek Site and the Gilbert Site, and (b) an assignment of the leases, rents and all other revenues of the Borrower (including certain State revenues due to the Borrower).

The Authority has no taxing power. The Bonds and the interest thereon are not a general obligation of the Authority and are not an indebtedness of the Authority, Pima County, the State of Arizona, or any political subdivision thereof within the meaning of any Arizona constitutional or statutory provision whatsoever. Principal of, premium, if any, and interest on the Bonds are payable solely out of the revenues derived from the Loan Agreement (other than to the extent payable out of proceeds of the Bonds or income from the temporary investment thereof). Neither the faith and credit nor the taxing power, if any, of the Authority, Pima County, the State of Arizona, or any political subdivision thereof, is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

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

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF  
PIMA COUNTY, ARIZONA APPROVING THE  
PROCEEDINGS OF THE INDUSTRIAL DEVELOPMENT  
AUTHORITY OF THE COUNTY OF PIMA REGARDING  
THE ISSUANCE OF ITS NOT-TO-EXCEED \$11,000,000  
EDUCATION FACILITY REVENUE BONDS (LEAD  
CHARTER SCHOOLS PROJECT), SERIES 2013 AND  
DECLARING AN EMERGENCY**

WHEREAS, The Industrial Development Authority of the County of Pima (the "*Authority*") pursuant to the Industrial Development Financing Act, Title 35, Chapter 5, Arizona Revised Statutes, as amended (the "*Act*"), is authorized to issue and sell its Education Facility Revenue Bonds (LEAD Charter Schools Project), Series 2013, in one or more series or subseries (the "*Bonds*"), the proceeds of which are to be loaned to LEAD Charter Schools (the "*Borrower*"), an Arizona nonprofit corporation, for use in (a) financing and/or refinancing and/or reimbursing the costs of acquisition, construction, improvement, renovation, operation and equipping of charter school facilities located at 7377 West Hunt Highway in Queen Creek, Arizona and 717 West Ray Road in Gilbert, Arizona, (b) funding any required reserve funds, as set forth in the Indenture, (c) paying capitalized interest on the Bonds, and (d) paying certain issuance expenses related to the Bonds (the "*Project*"); and

WHEREAS, on August 16, 2013, the Authority resolved to issue the Bonds in an aggregate amount not to exceed \$11,000,000 (the "*Authority's Resolution*"), such issuance being conditioned upon, among other things, the granting of approval to the issuance of the Bonds by the Pima County Board of Supervisors; and

WHEREAS, the Authority's Resolution has been made available to the Pima County Board of Supervisors, and the Authority's Resolution has been duly considered this date; and

WHEREAS, the Authority's Resolution authorizes, among other things, the issuance of the Bonds, the execution and delivery of (a) an Indenture of Trust, between the Authority and BOKF, NA, dba Bank of Arizona (the "*Indenture*"), (b) a Loan Agreement (the "*Loan Agreement*"), among the Authority and the Borrower, and (c) such other documents as required for the issuance of the Bonds; and

WHEREAS, the terms, maturities, provisions for redemption, security and sources of payment for the Bonds are set forth in the Indenture, the Loan Agreement and the form of Bonds itself; and

WHEREAS, copies of said documents have been made available to the Pima County Board of Supervisors, together with the Authority's Resolution; and

WHEREAS, the Pima County Board of Supervisors has been informed that said documents have been reviewed by competent Bond Counsel, Kutak Rock LLP, and said Bond Counsel has determined that said documents adequately meet the requirements of the Act and the Internal Revenue Code of 1986, as amended (the "*Code*"); and

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of Pima County,  
Arizona this \_\_\_\_ day of \_\_\_\_\_, 2013.

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Ramón Valadez, Chairman  
PIMA COUNTY BOARD OF SUPERVISORS

ATTEST:

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Robin Brigode, Clerk  
PIMA COUNTY BOARD OF SUPERVISORS

APPROVED AS TO FORM:

KUTAK ROCK LLP,  
Bond Counsel

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

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA AUTHORIZING THE ISSUANCE, OFFER, SALE AND DELIVERY OF ONE OR MORE SERIES OF ITS TAX-EXEMPT AND/OR TAXABLE EDUCATION FACILITY REVENUE BONDS (LEAD CHARTER SCHOOLS PROJECT), SERIES 2013, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$11,000,000 (THE "SERIES 2013 BONDS"); AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST, A LOAN AGREEMENT, A BOND PURCHASE AGREEMENT, AND DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT; APPROVING THE TERMS OF SUCH DOCUMENTS AND RELATED DOCUMENTS TO BE EXECUTED AND DELIVERED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE SERIES 2013 BONDS; AND AUTHORIZING OTHER ACTIONS NECESSARY IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2013 BONDS.

WHEREAS, The Industrial Development Authority of the County of Pima (the "Issuer"), a nonprofit corporation designated a political subdivision of the State of Arizona (the "State"), incorporated with the approval of the County of Pima (the "County"), pursuant to the provisions of the Constitution of the State and under Title 35, Chapter 5, Arizona Revised Statutes, as amended (the "Act"), is authorized and empowered, among other things: (a) to issue its revenue bonds to pay costs of a "project" (as defined in Section 35-701 of the Act); (b) to make loans from the proceeds of the sale of its revenue bonds to any person to provide for financing and refinancing the costs of acquiring, constructing, improving, equipping and maintaining one or more "projects" and to pledge all or any part of the revenues and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Issuer in order to secure the payment of the principal or redemption price of and interest on such bonds; (c) to enter into contracts and execute any agreements or instruments and do any other act necessary or appropriate to carry out its purposes; and (d) to enact this Resolution and to enter into the Loan Agreement, the Indenture of Trust and the Bond Purchase Agreement, all as hereafter defined, upon the terms and conditions provided herein and therein; and

WHEREAS, LEAD Charter Schools (the "Borrower"), a duly organized and validly existing Arizona nonprofit corporation operated exclusively for charitable and educational purposes as a charter school under Arizona Revised Statutes Title 15, Chapter 1, Article 8, as amended (the "Charter School Act"), has requested that the Issuer issue its revenue bonds for the purposes of: (i) financing and/or refinancing and/or reimbursing the costs of acquisition, construction, improvement, renovation, operation and equipping of charter school facilities located in Gilbert and Queen Creek, Arizona (the "Series 2013 Facilities"); (ii) funding of any required reserves as set forth in the Indenture (defined below); (iii) paying capitalized interest, if

any, on the Series 2013 Bonds (defined below); and (iv) paying certain issuance expenses (collectively, the "Series 2013 Project"); and

WHEREAS, in furtherance of the purposes of the Act, the Issuer proposes to issue one or more series of its tax-exempt and/or taxable Education Facility Revenue Bonds (LEAD Charter Schools Project), Series 2013 in an aggregate principal amount of not to exceed \$11,000,000 (the "Series 2013 Bonds") pursuant to the Indenture of Trust (the "Indenture") to be dated as of the first day of the month in which the Series 2013 Bonds are issued, between the Issuer and BOKF, NA dba Bank of Arizona (the "Trustee"), the proceeds of which will be loaned to the Borrower pursuant to the Loan Agreement (the "Loan Agreement") to be dated as of the first day of the month in which the Bonds are issued, between the Issuer and the Borrower to finance the costs of the Series 2013 Project; and

WHEREAS, the Series 2013 Bonds are payable from the Trust Estate (as that term is defined in the Indenture), which will include, among other items, payments of principal and interest on the Promissory Note to be executed by the Borrower (the "Promissory Note") and one or more Deeds of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing, to be executed by the Borrower (collectively, the "Deed of Trust"), all of which will be assigned to the Trustee (as hereinafter defined); and

WHEREAS, the Borrower has requested the Issuer issue the Series 2013 Bonds under the Indenture for the purpose of financing the Series 2013 Project; and

WHEREAS, there have been prepared and presented at this meeting and there are on file with the Secretary of this Board proposed forms of the following documents:

(a) the Indenture of Trust, to be dated as of the first day of the month in which the Series 2013 Bonds are issued (the "Indenture"), between the Issuer and BOKF, NA dba Bank of Arizona, or other bond trustee named therein (the "Trustee");

(b) the Loan Agreement, to be dated as of the first day of the month in which the Series 2013 Bonds are issued (the "Loan Agreement"), between the Issuer and the Borrower;

(c) Deed(s) of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing, from the Borrower to the Trustee, as beneficiary, and the entity named therein serving as trustee;

(d) the Bond Purchase Agreement (the "Bond Purchase Agreement"), among the Issuer, the Borrower and the underwriter named therein (the "Underwriter"); and

(e) the Preliminary Official Statement, which together with certain changes thereto will become the final Official Statement, relating to the Series 2013 Bonds (the "Official Statement").

The documents identified in paragraphs (a), (b) and (d) above are collectively referred to herein as the "Issuer Documents"; and

WHEREAS, this Board determines hereby that the execution and delivery of the Issuer Documents and the issuance and sale of the Series 2013 Bonds by the Issuer as contemplated by such documents and the effect thereof will each be in furtherance of the purposes of the Issuer and the Act; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA AS FOLLOWS:

Section 1. Authority. The Series 2013 Bonds herein authorized shall be issued pursuant to the laws of the State, the Act and the Code (defined below) and other applicable provisions of law.

It is hereby determined that the Series 2013 Project to be financed with the Series 2013 Bonds is a "project," as defined in and permitted by the Act, and the financing of the Series 2013 Project is in the public interest and is consistent with the purposes of the Act.

Section 2. Definitions. In addition to words and terms elsewhere defined in this Resolution, the following words and terms shall have the following meanings unless some other meaning is plainly intended and provided that the dated date of the documents described in this Resolution to which the Issuer is a party may be changed upon the advice of Russo, Russo & Slania, P.C., as counsel to the Issuer, to such date or dates as may be determined to best effectuate the provisions of this Resolution, such determination to be conclusively evidenced by the execution and delivery by an officer of the Issuer of the respective documents with such amended dates:

"Board" means the Board of Directors of The Industrial Development Authority of the County of Pima.

"Closing Date" means the date upon which there is an exchange of Series 2013 Bonds for proceeds representing the purchase price thereof.

"Code" means the Internal Revenue Code of 1986, and all applicable regulations (whether temporary or final) under that Code and the statutory predecessor of the Code, as applicable, and any official rulings and judicial determinations under the foregoing applicable to the Series 2013 Bonds.

Section 3. Authorization and Terms of Series 2013 Bonds. Pursuant to the Act and the terms of the Indenture, there is hereby authorized the issuance and sale of the Series 2013 Bonds of the Issuer in one or more series to be known as "Education Facility Revenue Bonds (LEAD Charter Schools Project), Series 2013" in an original aggregate principal amount of not to exceed \$11,000,000, for the purpose of paying costs of the Series 2013 Project. The Series 2013 Bonds shall be issued in the forms and on the terms set forth therein and in the Indenture. The Series 2013 Bonds shall be dated as of such date as set forth therein and in the Indenture.

The Series 2013 Bonds shall mature on such date or dates as set forth in the respective forms of the Series 2013 Bonds and the Indenture, provided that the final maturity of the Series 2013 Bonds shall be not later than forty years after the Closing Date. The Series 2013 Bonds shall bear interest at the rate or rates of interest per year as set forth in the respective forms of the Series 2013 Bonds and in the Indenture, provided that such rate or rates of interest shall not exceed 12% per year. Interest on the Series 2013 Bonds shall be payable on each interest payment date and at such other times as set forth in the forms of the Series 2013 Bonds and the Indenture until the principal sum is paid or duly provided for, and shall be calculated on the basis of a 360-day year of twelve 30-day months.

The Series 2013 Bonds shall bear interest at the rate or rates of interest as set forth in the form of the Series 2013 Bonds and the Indenture. The Series 2013 Bonds shall be payable solely out of the payments, revenues and receipts received by the Issuer pursuant to the Loan Agreement, and other security provided in the Indenture, and such payments, revenues and receipts as shall be pledged and assigned to the Trustee as security for the payment of the Series 2013 Bonds as provided in the Indenture. The approval of the Issuer of the final terms of the Series 2013 Bonds as set forth in the Indenture shall be conclusively evidenced by execution of the Indenture by the authorized officer of the Issuer executing the Indenture.

The Series 2013 Bonds shall be subject to redemption prior to maturity as provided in the Indenture and in the forms of the Series 2013 Bonds; shall be payable, shall be executed and authenticated in such manner, shall be in such forms and denominations, shall be of such tenor and effect, shall be payable from such sources and shall have such transfer restrictions, all as provided in the Indenture.

Section 4. Execution of the Series 2013 Bonds. The forms, terms and provisions of the Series 2013 Bonds, in the forms contained in the Indenture, are hereby approved, with only such changes therein as are not inconsistent herewith and as permitted under the Indenture. The President and the Secretary or Assistant Secretary of the Issuer are each hereby authorized to execute the Series 2013 Bonds and are each hereby authorized to cause them to be delivered. The signatures of the President and the Secretary or Assistant Secretary on the Series 2013 Bonds may be by manual or facsimile signature. No Series 2013 Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution or the Indenture unless and until the certificate of authentication printed on the Series 2013 Bonds is signed by the Trustee.

Section 5. Execution of Documents. The forms, terms and provisions of the Issuer Documents related to the Series 2013 Bonds, in the forms of such documents (including the exhibits thereto) presented to this meeting, are hereby approved, with such insertions, deletions and changes as are not inconsistent herewith and as are permitted by the Act and the Code, as shall be approved by those officers executing and delivering the same on behalf of the Issuer, and such execution and delivery or approval shall constitute conclusive evidence of their approval and of this Board's approval of any such changes from the respective forms thereof presented to this meeting. Any officer of the Issuer is hereby authorized to execute and deliver the Indenture, the Loan Agreement, the other Issuer Documents, and any other documents related to the Series 2013 Bonds on behalf of this Board. The authorization of the issuance of the Series 2013 Bonds is expressly conditioned upon the understanding that the Issuer will not execute any

document or consent to the execution of any document until the form of such document is acceptable to Russo, Russo & Slania, P.C., counsel to the Issuer.

Section 6. Request for Authentication. The President or any other officer of the Issuer is hereby authorized to execute and deliver to the Trustee any written order of the Issuer for the authentication and delivery of the Series 2013 Bonds of the Trustee to the Underwriter.

Section 7. Bond Purchase Agreement; Sale of Series 2013 Bonds. The sale and delivery of the Series 2013 Bonds to the Underwriter on the terms set forth in the Bond Purchase Agreement and the execution of such Bond Purchase Agreement in substantially the form presented to this meeting by any officer of the Issuer is hereby authorized with such changes to the Bond Purchase Agreement as such officer shall approve after consultation with Russo, Russo & Slania, P.C., counsel to the Issuer, such approval to be conclusively evidenced by the execution thereof.

Section 8. Other Actions. To the extent permitted by law, any of the officers and agents of the Issuer are hereby authorized and directed to take all action necessary on its part or reasonably required by the parties to the Issuer Documents to carry out, give effect to and consummate the transactions contemplated thereby, including, without limitation, the authorization of payment of the Series 2013 Bonds as provided in the Indenture and the execution and delivery of the closing and other documents necessary or appropriate to be delivered in connection with the issuance, offer, sale and delivery of the Series 2013 Bonds.

Section 9. Offering Documents. The distribution by the Underwriter of the Preliminary Official Statement in connection with the offering of the Series 2013 Bonds for sale is hereby ratified, confirmed and approved. Any officer of the Issuer is hereby authorized and directed to execute and deliver any documents relating to the final Official Statement to the Underwriter, with such changes as are necessary to conform to the Bond Purchase Agreement and such further changes as are not, in the opinion of such officer, inconsistent with the actions taken and the documents approved at this meeting.

Section 10. Declaration of Intent to Authorize Reimbursement. The Issuer hereby expresses its intent to reimburse certain qualified expenditures incurred by the Borrower with respect to the acquisition, construction, equipping and furnishing of the Series 2013 Project with proceeds of the Series 2013 Bonds issued and sold pursuant to the provisions of the Act in a principal amount presently estimated not to exceed the amount set forth in Section 3 above.

Section 11. Limited Obligations. Nothing contained in this Resolution or in the Issuer Documents or any other document or instrument, shall be construed as obligating the Issuer, except to the extent provided in such documents or instruments, or as incurring a charge upon the general credit or taxing power of the Issuer, the County or the State or any other political subdivision thereof, nor shall the breach of any agreement contained in this Resolution, the Issuer Documents or any other instrument or document executed in connection therewith impose any charge upon the general credit or taxing power of the Issuer, the County or the State or any other political subdivision thereof. The Issuer has no taxing power.

Section 12. Actions of Officers, Staff, Directors and Agents. All actions of the officers, staff, directors and agents of the Issuer which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance, sale and delivery of the Series 2013 Bonds as contemplated by this Resolution and the documents referred to herein, whether heretofore or hereafter taken, shall be and are hereby ratified, confirmed and approved. The proper officers, staff, directors and agents of the Issuer are hereby authorized and directed to do all such acts and to execute, acknowledge and deliver all such documents on behalf of the Issuer as may be deemed necessary or desirable to carry out the terms and intent of this Resolution and of any of the documents referred to herein.

Section 13. Role of Trustee. The Trustee, initially BOKF, NA dba Bank of Arizona, shall serve as trustee, bond registrar and paying agent under the Indenture and is hereby appointed as such.

Section 14. Tax Covenants. The Issuer covenants that it will restrict the use of the proceeds of any Series 2013 Bonds the interest on which is excludable from gross income for federal income tax purposes (the "Tax-Exempt Series 2013 Bonds") in the manner and to the extent, if any, which may be necessary, after taking into account reasonable expectations at the time of the delivery of and payment for the Tax-Exempt Series 2013 Bonds, so that the Tax-Exempt Series 2013 Bonds will not constitute arbitrage bonds under Section 148 of the Code. To those ends, the President, or any other officer of the Board having responsibility for issuing the Series 2013 Bonds, is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee, consultant or agent of the Issuer to give: (i) an appropriate certificate of the Issuer, for inclusion in the transcript of proceedings for the Series 2013 Bonds, setting forth the reasonable expectations of the Issuer regarding the amount and use of the proceeds of the Tax-Exempt Series 2013 Bonds and the facts, estimates and circumstances on which those expectations are based, all as of the date of delivery of and payment for the Series 2013 Bonds, and (ii) the statement setting forth the information, with respect to the Tax-Exempt Series 2013 Bonds, required by Section 149(e) of the Code.

The Issuer covenants that it: (A) will take or require to be taken all actions that may be required of it for the interest on the Tax-Exempt Series 2013 Bonds to be and remain excluded from gross income for federal income tax purposes; and (B) will not take or authorize to be taken any actions that would adversely affect that exclusion under the provisions of the Code, and that it, or persons acting for it, will, among other acts of compliance: (i) restrict the yield on investment property acquired with the proceeds of the Tax-Exempt Series 2013 Bonds; (ii) make timely rebate payments to the federal government; and (iii) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code; and the appropriate officers of the Issuer are hereby authorized and directed to take any and all actions as may be appropriate to assure such exclusion of that interest. In its performance of these covenants and other covenants of the Issuer, including covenants in the Issuer Documents, pertaining to federal income tax laws, the Issuer may rely in good faith upon the advice of nationally recognized bond counsel which is in writing and is provided to the Trustee.

Section 15. Advice of Counsel. In the execution and delivery of any instruments authorized hereby, the President and any other officer of the Board are hereby authorized to rely on advice of Russo, Russo & Slania, P.C., as counsel to the Issuer, to make modifications therein

and to execute and deliver such additional instruments as may be reasonably required to effect the issuance, sale and delivery of the Series 2013 Bonds.

Section 16. Conditions. In addition to the other conditions set forth herein (including those conditions set forth in Section 18 hereof) and in the Issuer Documents, the issuance, delivery and sale of the Series 2013 Bonds is subject to satisfaction of the following conditions:

(i) unless the Series 2013 Bonds are rated "BBB-" or better (or an equivalent rating) from a nationally recognized bond rating agency, each purchaser of the Series 2013 Bonds shall execute and deliver an investor acknowledgement letter in form and substance satisfactory to the Issuer and its counsel;

(ii) the Borrower shall pay or cause to be paid on the Closing Date the reasonable fees and expenses of the Issuer, including without limitation, the fees and expenses of its counsel;

(iii) the Borrower shall agree to pay or cause to be paid the Issuer's Fee (as defined in the Indenture) in the amounts and at the times set forth in the Issuer Documents; and

(iv) the Borrower shall enter into a Program Administration Agreement (as defined in the Indenture) with Community Investment Corporation, as administrator, and shall agree to pay or cause to be paid the fees due thereunder.

Section 17. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 18. County Approval. The approval of the Board of Supervisors of Pima County of the issuance of the Series 2013 Bonds shall be a condition precedent to such issuance. This Board hereby requests such approval and directs its Secretary to deliver promptly a certified copy of this Resolution to the Clerk of the Board of Supervisors.

Section 19. Delegation to Alternate Officers. In the event of the absence, unavailability or inability to act of the President or the Secretary, the then President, the Vice President, any assistant or acting Secretary, or any other member of this Board, are each authorized and empowered to take all actions, and to execute all documents and instruments and to deliver the same, as are herein authorized to be taken or executed and delivered by the President or the Secretary, as the case may be.

Section 20. Repeal of Conflicting Resolutions, Effective Date and Irrepealability. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, and this Resolution shall be in immediate effect from and after its adoption.

Section 21. Waivers. Any provisions of any bylaws, orders, procedural pamphlets and resolutions of the Issuer inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as repealing any bylaw, order, procedural pamphlet or resolution or any part thereof.

Section 22. Legal Compliance. It is found and determined that all formal actions of the Issuer and the Board concerning and relating to the adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the State and the Issuer.

ADOPTED AND APPROVED this 16<sup>th</sup> day of August, 2013.

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF  
THE COUNTY OF PIMA

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_