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VIA PREMIER SUPPORT SERVICE

September 5, 2018

Richard Elias, Chair
Ms. Sharon Bronson
Mr. Steve Christy
Ms. Ally Miller
Mr. Ramón Valadez

PIMA COUNTY BOARD OF SUPERVISORS

County Administration Building
130 West Congress Street, 11th Floor
Tucson, Arizona 85701

Re: Amendments Regarding The Industrial Development Authority of the County of Pima - Education Facility Refunding Revenue Bonds (Telesis Preparatory Academy Refunding Project), Series 2018 - In the Principal Amount of \$15,000,000

Mr. Chair and Members of the Board:

As part of its program for financing Arizona charter schools, at a regular meeting which is to be held on September 10, 2018, The Industrial Development Authority of the County of Pima (the "*Authority*"), will consider granting its final approval to a resolution amending the final resolution approved on November 13, 2017, which authorized the issuance of its Education Facility Refunding Revenue Bonds (Telesis Preparatory Academy Refunding Project), Series 2017, (the "*Bonds*"), the proceeds of which were be loaned to Telesis Center for Learning, Inc. (the "*Original 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*").

The Authority and the Board had previously adopted resolutions (the "*Resolutions*"), for these Bonds in connection with a project location at 2598 Starlite Lane, Lake Havasu City, Arizona. The Original Borrower has now indicated that, due to a change in structure with NBH Bank as the Purchaser, the obligor on the Bonds will be a different entity - Charter Schools Development Corporation (including any subsidiaries, affiliates, successors or assigns thereof), who will lease the Project, as described in the original Resolution, to the Original Borrower. The series designation will also change to Series 2018. Because the Resolutions for the Bonds have already been approved, the Borrower is now requesting this amendment to include the change in obligor, purchaser and series designation.

PIMA COUNTY BOARD OF SUPERVISORS

September 5, 2018

Page 2

These amendments are 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 18, 2018, for the purpose of having the Board of Supervisors approve these amendments. Other than the change in obligor and the change of purchaser to NBH Bank, no other changes are being made to the Project description, or the terms of the Bonds. Enclosed herewith is the Amending Resolution of the Board of Supervisors.

As always, the Bonds are special limited obligations of the Authority. The Bonds are payable solely from payments made by the Borrower pursuant to a loan agreement and will be secured by a deed of trust on the project site. Such payments are pledged to the Bondholders pursuant to an indenture of trust between the Authority and UMB Bank, N.A., as trustee. Neither the faith and credit, nor the taxing power of the Authority or Pima County or any other political subdivision thereof, are 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/at
Enclosures

c: Ms. Julie Castañeda (with enclosures)
Regina Nassen, Esq., Counsel to the Board
Charles Huckelberry, Pima County Administrator
Jan Leshner, Deputy Pima County Administrator
Patrick Cavanaugh, Economic Development Deputy Director

RESOLUTION NO. 2018-___
AMENDING RESOLUTION NO. 2017-87

A RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA AMENDING THE APPROVAL OF THE ISSUANCE OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA EDUCATION FACILITY REFUNDING REVENUE BONDS (TELESIS PREPARATORY ACADEMY REFUNDING PROJECT), SERIES 2017 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 Refunding Revenue Bonds (Telesis Preparatory Academy Refunding Project), Series 2017, in one or more series or subseries (the “*Bonds*”), the proceeds of which were loaned to Telesis Center for Learning, Inc. (the “*Original Borrower*”), an Arizona nonprofit corporation, for the purposes of (a) refunding The Industrial Development Authority of the Town of Florence, Inc. Education Revenue Bonds (Telesis Preparatory Academy Project) Series 2013 (the “*Series 2013 Bonds*”), the proceeds of which were used for purposes of (i) refinancing the costs of acquiring, constructing, renovating, improving, and equipping land and buildings located at 2598 Starlite Lane, Lake Havasu City, Arizona (the “*Existing Facilities*”), (ii) financing the costs of constructing, improving, and equipping additions to the Existing Facilities, (the “*Improvements*” and; together with the Existing Facilities, the “*Financed Facilities*”), (iii) paying capitalized interest on the Series 2013 Bonds, and (iv) paying costs of issuance of the Series 2013 Bonds; (b) funding any required reserves on the Bonds; and (c) paying certain issuance expenses of the Bonds (collectively the “*Project*”); and

WHEREAS, on November 13, 2017, the Authority resolved to issue the Bonds in one or more series or subseries and in an aggregate amount not to exceed \$15,000,000 (the “*Authority’s Resolution*”), and 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, on November 21, 2017, the Pima County Board of Supervisors adopted Resolution No. 2017-87, which approved the issuance of the Bonds for the purposes expressed in such Resolution; and

WHEREAS, the Original Borrower has subsequently informed the Authority that, due to a change in structure of the Bonds, the obligor on the Bonds will change to a different entity - Charter Schools Development Corporation (including any subsidiaries, affiliates, successors or assigns thereof), who will lease the Financed Facilities to the Original Borrower and a change in the Purchaser to NBH Bank; and

WHEREAS, on September 10, 2018, the Authority amended its Resolution (the “*Amended Resolution*”) regarding the Bonds to change the obligor on the Bonds and provide for the lease of the Financed Facilities to the Original Borrower, a change in the Purchaser to NBH Bank, and a change in series designation, such Amended Resolution 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 Amended Resolution authorizes, among other things, any necessary revision of the bond documents to so reflect such changes in obligor and purchaser as well as the series designation; and

WHEREAS, the Amended Resolution has been made available to the Pima County Board of Supervisors, and said Amended Resolution has been duly considered on this date; and

WHEREAS, the Pima County Board of Supervisors is being requested to amend its Resolution No. 2017-87 regarding the Bonds to change the obligor on the Bonds and provide for the lease of the Financed Facilities to the Original Borrower, to change the purchaser and to change the series designation; and

WHEREAS, the Pima County Board of Supervisors has been informed that said amendment has been reviewed by competent Bond Counsel, Kutak Rock LLP, and said Bond Counsel has determined that said amendment is permitted within the requirements of the Act and the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, in accordance with Section 35-721.B of the Act, the proceedings of the Authority as amended under which the Bonds are to be issued require the approval of this Board of Supervisors of the issuance of the Bonds; and

WHEREAS, it is intended that this Resolution shall constitute approval by the Board of Supervisors with respect to the issuance of the Bonds pursuant to Section 35-721.B of the Act; and

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

1. The obligor for the Bonds is hereby amended to be Charter Schools Development Corporation (including any subsidiaries, affiliates, successors or assigns thereof), who will lease the Facilities to Telesis Center for Learning, Inc., including all related document changes, a change in purchaser to NBH Bank and a series designation on the Bonds to Series 2018 and such amendments are approved with all proceedings pertaining thereto for all purposes under the Act and the Code.
2. The appropriate officers of the Board of Supervisors are hereby authorized and directed to do all such things to execute and deliver all such documents on behalf of Pima County as may be necessary or desirable to effectuate the intent of this Resolution and the Resolution of the Authority in connection with the Bonds.
3. This Resolution shall be in full force and effect from and after its passage as provided by law, and any provisions of any previous resolutions in conflict with the provisions herein are hereby superseded.
4. It is necessary for the preservation of the peace, health and safety of the County that this resolution become immediately effective and, accordingly, an emergency is hereby declared to exist, and this resolution shall be effective immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of Pima County, Arizona this _____ day of _____, 2018.

Richard Elias, Chair
PIMA COUNTY BOARD OF SUPERVISORS

ATTEST:

Julie Castañeda, Clerk
PIMA COUNTY BOARD OF SUPERVISORS

APPROVED AS TO FORM:

KUTAK ROCK LLP,
Bond Counsel

By: 