

RUSSO, RUSSO & SLANIA, P.C.

ATTORNEYS AT LAW
6700 NORTH ORACLE ROAD
SUITE 100
TUCSON, ARIZONA 85704

STEVEN RUSSO
MICHAEL A. SLANIA
STEPHEN T. PORTELL
PATRICK E. BROOM

RUSSELL RUSSO
OF COUNSEL
JOSEPH D. CHIMIENTI

(520) 529-1515
1-800-655-1336
FAX (520) 529-9040

VIA E-Z MESSENGER

October 30, 2013

PIMA COUNTY BOARD OF SUPERVISORS

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

Re: The Industrial Development Authority of the County of Pima – Notice of
Intention to Issue Bonds – Education Facility Revenue Bonds (San Tan
Montessori School Project), Series 2013 – In an Amount Not to Exceed
\$14,000,000

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 (2) 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' November 12, 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/sgt
Enclosures

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October 30, 2013

Mr. Ramón Valadez, Chair
Ms. Sharon Bronson
Mr. Raymond Carroll
Mr. Richard Elias
Ms. Ally Miller

PIMA COUNTY BOARD OF SUPERVISORS

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

Re: The Industrial Development Authority of the County of Pima - Education
Facility Revenue Bonds (San Tan Montessori School Project), Series
2013 - In the Principal Amount of \$14,000,000

Mr. Chair and Members of the Board:

As part of its program for financing Arizona charter schools, at a special meeting to be held on November 8, 2013, 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 September 20, 2013, which authorized the issuance of its Education Facility Revenue Bonds (San Tan Montessori School Project), Series 2013, (the "*Bonds*"), the proceeds of which will be loaned to San Tan Montessori School, Inc. (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*"). The Borrower operates charter schools located at 1461 S. Higley Road, Gilbert, Arizona and 204 W. Chandler Heights Road, Chandler, Arizona.

The Authority and the Board had previously adopted resolutions (the "*Resolutions*") for these Bonds in connection with a project location at or near the Northeast corner of Higley Road and E. Warner Road in Gilbert, Arizona. The Borrower has now indicated that a different parcel of land located at or near the intersection of Recker Road and Elliot Road in Gilbert, Arizona had become available for the charter school. Because the Resolutions for the Bonds has already been approved when the property became available, the Borrower is now requesting this amendment of the Project description to approve the purchase of the new property.

PIMA COUNTY BOARD OF SUPERVISORS

October 30, 2013

Page Two

This amendment to the Authority's Resolution 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 November 12, 2013, for the purpose of having the Board of Supervisors approve this amendment of the change in the Project description for the Bonds. 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.

In the opinion of Bond Counsel, no public hearing is required to be held pursuant to the Code and Federal Income Tax Regulations for the issuance of the Bonds.

This amendment will allow the proceeds of the Bonds to be used by the Borrower for the purposes of financing or refinancing the acquisition, construction, improvement, renovation and equipping of charter school facilities located at the location at or near the intersection of Recker Road and Elliot Road in Gilbert, Arizona.

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, and if approved, a deed of trust on the new property site. Such payments are 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, 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/ala
Enclosures

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

REVISED **FACT SUMMARY**

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA EDUCATION FACILITY REVENUE BONDS (SAN TAN MONTESSORI SCHOOL PROJECT), SERIES 2013

The following is a brief REVISED 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 (San Tan Montessori School Project), Series 2013, in one or more series (the “ <i>Bonds</i> ”) in an original principal amount not to exceed \$14,000,000 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	San Tan Montessori School, Inc., 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 “ <i>Code</i> ”). The Borrower will own the building, equipment and improvements to be financed and/or refinanced with proceeds of the Bonds.
The Project <i>(only change is acreage and location)</i>	The Project will consist of financing the costs relating to the charter school facilities located on approximately six and one-half acres of land at or near the intersection of Recker Road and Elliot Road in Gilbert, Arizona (the “ <i>Project Site</i> ”). The Project Site will consist of charter school facilities on approximately six and one-half acres of land upon which improvements of roughly 50,000-60,000 square feet, comprised of 34 classrooms, music room, gymnasium, computer lab, library multi-propose room with stage and food service area and administrative offices, together with outdoor play and sport areas.

Bond Proceeds	The proceeds of the Bonds will be used for (i) financing the costs of acquisition, construction, improvement, operation and equipping of the Project, (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 a deed of trust which will be recorded on the Project 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 Project 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-____
AMENDING RESOLUTION NO. 2013-87

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 REVENUE BONDS (SAN TAN MONTESSORI SCHOOL 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 (San Tan Montessori School Project), Series 2013 in one or more series or subseries (the "*Bonds*"), the proceeds of which were loaned to San Tan Montessori School, Inc. (the "*Borrower*"), an Arizona nonprofit corporation, for the purpose of (i) financing or refinancing the acquisition, construction, improvement, operation and equipping of charter school facilities, (ii) funding any required reserve funds, as set forth in the Indenture, (iii) paying capitalized interest on the Bonds, if any, and (iv) paying certain issuance expenses (the "*Project*"); and

WHEREAS, on September 20, 2013, the Authority resolved to issue the Bonds for the purposes expressed in such above resolution (the "*Resolution*"); and

WHEREAS, on November 8, 2013, the Pima County Board of Supervisors adopted Resolution No. 2013-87, which approved the issuance of the Bonds for the purposes expressed in such Resolution; and

WHEREAS, the Borrower has subsequently informed the Authority that a new parcel of land, with a different address, would be the actual location of the charter school facilities and that therefore a change in the Project description for the new location is necessary; and

WHEREAS, on October 8, 2013, the Authority amended its Resolution (the "*Amended Resolution*") regarding the Bonds to amend the definition of the Project to include the financing of approximately 6.5 acres of land located at or near the intersection of Recker Road and Elliot Road in Gilbert, Arizona to be used as charter school facilities, 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 amended Project definition; 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. 2013-87 regarding the Bonds to amend the definition of the Project to include the financing of the approximately 6.5 acres of land located at or near the intersection of Recker Road and Elliot Road in Gilbert, Arizona to be used as charter school facilities; 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 Project description for the Bonds is hereby amended to include the financing of the approximately 6.5 acres of land located at or near the intersection of Recker Road and Elliot Road in Gilbert, Arizona and such amendment is 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 _____, 2013.

Ramón Valadez, Chair
PIMA COUNTY BOARD OF SUPERVISORS

ATTEST:

Robin Brigode, Clerk
PIMA COUNTY BOARD OF SUPERVISORS

APPROVED AS TO FORM:

KUTAK ROCK LLP,
Bond Counsel

By:  _____