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VIA PREMIER SUPPORT SERVICE

October 1, 2014

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

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 – Notice of Intention to Issue Bonds – Education Facility Revenue Bonds (PLC Arts Academy at Scottsdale Project), Series 2014 – In an Amount Not to Exceed \$6,000,000

Ms. Chair and Members of the Board:

As part of its statewide program for financing Arizona charter schools, at a special meeting to be held on October 10, 2014, The Industrial Development Authority of the County of Pima (the “*Authority*”), will consider granting its final approval to an amending resolution authorizing the issuance of its Education Facility Revenue Bonds (PLC Arts Academy at Scottsdale Project), Series 2014 (the “*2014 Bonds*”), in one or more series and in an aggregate principal amount not to exceed \$6,000,000, the proceeds of which will be loaned to PLC Arts Academy at Scottsdale, 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 amendment is to reflect a change in the description and location of the charter school to (i) approximately 204,601 square feet of improved land located at 6140 East Thunderbird Road in Scottsdale, Arizona, and (ii) approximately 15,220 square feet of unimproved land located at 6072 East Thunderbird Road in Scottsdale, Arizona. The proceeds of the Bonds will still be used to (a) finance or refinance the costs of acquisition, construction, improvement, renovation, operation and equipping of charter school facilities located in Scottsdale, Arizona, (b) to fund any required reserve funds, as set forth in the Indenture, (c) pay capitalized interest on the Bonds, and (d) to pay certain issuance expenses related to the Bonds (the “*2014 Project*”).

As always, this issuance of 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 October 14, 2014, for the purpose of having the Board of Supervisors approve the Amending Resolution. Enclosed herewith are the following:

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

Enclosed herewith is a copy of the Amending Resolution that is to be considered for approval by the Authority at the Special Meeting. 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.

The 2014 Bonds are still to be issued in accordance with Title 35, Chapter 5, of the Arizona Revised Statutes, as amended (the "*Act*"). The 2014 Bonds will be issued as fully registered Bonds and will be publicly offered by Herbert J. Sims & Co., Inc. The 2014 Bonds will be issued without a rating in denominations of \$5,000 with a minimum purchase of \$10,000 and sold only to qualified investors who certify that they (a) can bear the economic risk of the purchase of the 2014 Bonds, (b) have such knowledge and experience in business and financial matters as to be capable of evaluating the risks and merit of an investment in the 2014 Bonds, and (c) acknowledge that the 2014 Bonds are suitable only for inclusion in a diversified portfolio and that they have undertaken the responsibility for obtaining all the information that they deemed necessary. The 2014 Bonds will not be 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
(PLC ARTS ACADEMY AT SCOTTSDALE PROJECT), SERIES 2014

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

The 2014 Bonds	As part of its program for financing Arizona charter schools, the Authority will issue its Education Facility Revenue Bonds (PLC Arts Academy at Scottsdale Project), Series 2014 (the “ <i>2014 Bonds</i> ”) in an original principal amount not to exceed \$6,000,000 and a maturity date not to exceed 40 years. The 2014 Bonds will bear interest at a fixed rate. The average interest rate on the 2014 Bonds shall not be greater than 12 percent per annum. The 2014 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. The 2014 Bonds will be issuable in minimum denominations of \$5,000 or integral multiples thereof, provided there is a minimum investment of \$10,000.
Public Sale	The 2014 Bonds will be publicly sold by Herbert J. Sims & Co., Inc. pursuant to a Preliminary Official Statement. The 2014 Bonds will be issued without a rating and sold only to qualified investors who (a) can bear the economic risk of the purchase of the 2014 Bonds, (b) have such knowledge and experience in business and financial matters as to be capable of evaluating the risks and merit of an investment in the 2014 Bonds, and (c) acknowledge that the 2014 Bonds are suitable only for inclusion in a diversified portfolio and that they have undertaken the responsibility for obtaining all the information that they deemed necessary. Lawson Financial Corporation or each Investor will execute an investor letter acknowledging their qualifications.
The Borrower	PLC Arts Academy at Scottsdale, Inc., an Arizona nonprofit corporation (the “ <i>Borrower</i> ”), has been determined by the Internal Revenue Service to be an organization described in Section 501(c)(3) of the Code.
The Prior Bonds	The Authority previously issued its (i) Education Facility Revenue Bonds (PLC Charter Schools Project), Series 2006, in an aggregate principal amount of \$13,500,000, and (ii) Education Facility Revenue Bonds (P.L.C. Charter Schools Project), Series 2011, in an aggregate principal amount of \$6,500,000 (the “ <i>Prior Bonds</i> ”) for the benefit of the Borrower or its affiliates and to finance related charter schools.

The Prior Bond Projects Proceeds of the Bonds issued in 2006 were used to, to assist the Borrower in financing or refinancing the costs of acquiring, constructing, improving, renovating and equipping approximately 10.58 acre site and approximately 48,000 square feet of charter school facilities located at 2504 South 91st Avenue in Tolleson, Arizona (the “*Tolleson Site*”).

Proceeds of the Bonds issued in 2011 were used to finance and/or refinance additional costs of acquiring, constructing, improving and furnishing additional charter school facilities at the Tolleson Site.

The 2014 Project The proceeds of the 2014 Bonds will be used to (i) finance or refinance the costs of acquisition, construction, improvement, renovation, operation and equipping of approximately 204,601 square feet of unimproved land located at 6140 East Thunderbird Road in Scottsdale, Arizona and 15,220 square feet of unimproved land located at 6072 East Thunderbird Road in Scottsdale, Arizona (the “*2014 Project*”), (ii) fund any required reserves as set forth in the Indenture, (iii) pay capitalized interest, if any, on the 2014 Bonds, and (iv) pay certain issuance expenses.

Documentation Pursuant to a 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 new Deed of Trust, which will be recorded on the 2014 Project.

Security for the 2014 Bonds The loan to the Borrower will be secured by (a) a mortgage lien and security interest in the land, buildings, fixtures and equipment owned by the Borrower constituting the charter school campuses at the 2014 Project, 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 2014 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 2014 Bonds are payable solely out of the revenues derived from the Loan Agreement (other than to the extent payable out of proceeds of the 2014 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 2014 Bonds.

RESOLUTION NO. 2014_____
AMENDING RESOLUTION NO. 2013-115

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 (PLC ARTS ACADEMY AT SCOTTSDALE PROJECT), SERIES 2014 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 (PLC Arts Academy at Scottsdale Project), Series 2014 (the "*Bonds*"), the proceeds of which are to be loaned to PLC Arts Academy at Scottsdale, Inc. (the "*Borrower*"), an Arizona nonprofit corporation, to aid in the (i) financing or refinancing the costs of acquisition, construction, improvement, renovation, operation and equipping of land and charter school facilities at the northwest corner of 64th Street and Shea Boulevard in Phoenix, Arizona, (ii) funding of any required reserves, as set forth in the Indenture (as hereinafter defined), (iii) paying capitalized interest, if any, on the Bonds, and (iv) paying certain issuance expenses (the "*2014 Project*"); and

WHEREAS, on December 6, 2013, the Authority resolved to issue the Bonds in the amount and for the purposes expressed in such Resolution; and

WHEREAS, on October 10, 2014, the Authority amended its Resolution regarding the issuance of the Bonds to reflect a change in the description and location of the 2014 Project to (i) approximately 204,601 square feet of improved land located at 6140 East Thunderbird Road in Scottsdale, Arizona, and (ii) approximately 15,220 square feet of unimproved land located at 6072 East Thunderbird Road in Scottsdale, Arizona (the "*Amended Resolution*"), 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 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 Amended Resolution authorizes, among other things, the issuance and sale of the Bonds, the execution, delivery of an Indenture of Trust, a Loan Agreement, and such other documents as may be 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 of Trust and the form of Bonds itself; and

WHEREAS, on December 17, 2013, the Pima County Board of Supervisors adopted Resolution No. 2013-115, which approved the issuance of the Bonds for the purposes expressed in such Resolution; and

WHEREAS, the Pima County Board of Supervisors is being requested to amend its Resolution No. 2013-115 regarding the issuance of the Bonds to reflect a change in the description

and location of the Bonds to (i) approximately 204,601 square feet of improved land located at 6140 East Thunderbird Road in Scottsdale, Arizona, and (ii) approximately 15,220 square feet of unimproved land located at 6072 East Thunderbird Road in Scottsdale, Arizona; 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

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 State Act.

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

1. Pursuant to the Act, the Board of Supervisors, as the governing body of the Authority, hereby approves the Bonds and the proceedings under which the Bonds are to be issued by the Authority, including specifically the Authority’s Resolution, the Indenture, the Loan Agreement, and all other related or appropriate documents;
2. 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;
3. The appropriate officers of the Pima County Board of Supervisors are hereby authorized and directed to do all such things and 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 Authority’s Resolution in connection with the issuance of the Bonds; and
4. It is necessary for the preservation of the peace, health and safety of the County that this resolution becomes 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 _____, 2014.

Sharon Bronson, 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: 

AN AMENDING RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA AUTHORIZING THE AMENDMENT OF THE SERIES 2014 PROJECT TO ALLOW THE FINANCING OF ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF LAND AND CHARTER SCHOOL FACILITIES AT A NEW LOCATION.

WHEREAS, The Industrial Development Authority of the County of Pima (the "Issuer"), a non-profit 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 of the proceeds from the sale of its revenue bonds to any person to provide for financing and/or refinancing the cost of acquiring, constructing, improving, equipping and operating 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

WHEREAS, the Issuer previously authorized the issuance and sale of its tax-exempt and/or taxable Education Revenue Bonds (PLC Arts Academy at Scottsdale Project), Series 2014 (the "Bonds"), in an aggregate principal amount of not to exceed \$6,000,000 at the Issuer's December 6, 2013, meeting; and

WHEREAS, at such meeting, the Issuer authorized the Bonds to assist the Borrower in (i) financing or refinancing the costs of acquisition, construction, improvement, renovation, operation and equipping of land and charter school facilities located at the northwest corner of 64th Street and Shea Boulevard in Phoenix, Arizona (the "Series 2014 Facilities"); (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 (collectively, the "Series 2014 Project"); and

WHEREAS, the Borrower has requested that the Issuer amend the Series 2014 Project to reflect a change in the description and location of the Series 2014 Facilities from the above to (i) approximately 204,601 square feet of improved land located at 6140 E. Thunderbird Road, Scottsdale, Arizona and (ii) approximately 15,220 square feet of unimproved land located at 6072 E. Thunderbird Road, Scottsdale, Arizona; and

WHEREAS, in furtherance of the purposes of the Act, the Issuer proposes to amend the Series 2014 Project to reflect a change in the location of the Series 2014 Facilities from the above location to (i) approximately 204,601 square feet of improved land located at 6140 E. Thunderbird Road, Scottsdale, Arizona and (ii) approximately 15,220 square feet of unimproved land located at 6072 E. Thunderbird Road, Scottsdale, Arizona; and

WHEREAS, this Board determines hereby that such amendment will be in furtherance of the purposes of the Act and the Issuer; 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. It is hereby determined that the Series 2014 Project be amended to reflect a change in the description and location of the Series 2014 Facilities to (i) approximately 204,601 square feet of improved land located at 6140 E. Thunderbird Road, Scottsdale, Arizona and (ii) approximately 15,220 square feet of unimproved land located at 6072 E. Thunderbird Road, Scottsdale, Arizona. Any and all documents are hereby supplemented as needed to reflect this change.

Section 2. County Approval. The approval of the Board of Supervisors of Pima County of the amendment of the Series 2014 Project and change of the description and location of the Series 2014 Facilities 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 3. Repeal of Conflicting Resolutions and Effective Date. 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 4. 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 5. Legal Compliance. It is found and determined that all formal actions of the Issuer and its 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 ____ day of October 2014.

**THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF PIMA**

By: _____

Title: _____