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VIA PREMIER SUPPORT

June 24, 2015

Ms. Sharon Bronson, Chair

Mr. Ramón Valadez

Mr. Raymond Carroll

Ms. Ally Miller

Mr. Richard Elias

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 Revenue Bonds
(Beacon Group Project), Series 2015 – In an Amount Not to Exceed
\$6,700,000

Dear Mr. Chairman and Members of the Board:

Subject to your approval, The Industrial Development Authority of the County of Pima has granted its final approval to a resolution approving the issuance of its Revenue Bonds (Beacon Group Project), Series 2015 (the “*Bonds*”) in an aggregate principal amount not to exceed \$6,700,000, for the benefit of Beacon Group, Inc., an Arizona nonprofit corporation, or its affiliates (the “*Borrower*”) at a special meeting held on June 12, 2015.

The Authority respectfully requests that this matter be placed on the Board of Supervisors’ Regular Meeting Agenda scheduled for July 7, 2015, 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.

Additionally, on June 26, 2015, the Authority will hold a public hearing in order to comply with the Federal requirements. You will be immediately informed if there are any objections at the hearing on the Project or the issuance of the Bonds.

The proceeds of the Bonds are to be loaned to the Borrower to be used to (i) finance or refinance the acquisition, construction, improvement, equipping or operating of office and administrative facilities located at 308 West Glenn Street and 2700 North Stone Avenue, all in Tucson, Arizona; (ii) acquire additional property located at 2824 North Oracle Road, 2870 North Oracle Road, and 331 West Laguna Street, all in Tucson, Arizona; and (iii) to pay costs of issuance of the Bonds (the "*Project*"). A more detailed description of the Project is contained in the attached Fact Summary.

The Bonds will be secured by a Deed of Trust on the Borrower's properties. The Bonds will be unrated and privately placed with Wells Fargo Bank, National Association (or one of its affiliates). The Bonds will be issued as fully registered Bonds without coupons in denominations of \$100,000 and integral multiples of \$5,000 thereafter. The Bonds will be 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 offer and sale of securities without registration under the Securities Act of 1933, as amended.

As always, the Bonds will be special limited obligations of the Authority and will be payable solely from payments made on or secured by a pledge and assignment of certain funds held by the Purchaser. 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/sgt
Enclosures

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

FACT SUMMARY

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA REVENUE BONDS (BEACON GROUP PROJECT), SERIES 2015

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

The Bonds	The Authority will issue its Revenue Bonds (Beacon Group Project), Series 2015, in one or more series (the “ <i>Bonds</i> ”) in an original principal amount not to exceed \$6,700,000. The Bonds are expected to bear interest at either a variable rate or a fixed rate of interest. 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. The Bonds will be issuable in denominations of \$100,000 or integral multiples of \$5,000 thereafter.
Private Placement	The Bonds will be sold to Wells Fargo Bank, National Association (or one of its affiliates) (the “ <i>Purchaser</i> ”).
The Borrower	Beacon Group, Inc., an Arizona nonprofit corporation, shall be the Borrower and it will operate the Project.
Bond Proceeds	The proceeds of the Bonds will be used to (i) finance or refinance the acquisition, construction, improvement, equipping or operating of, office and administrative facilities located at 308 West Glenn Street and 2700 North Stone Avenue, both in Tucson, Arizona; (ii) acquire additional real property located at 2824 North Oracle Road, 2870 North Oracle Road, 331 West Laguna Street, all in Tucson, Arizona; and (iii) to pay costs of issuance of the Bonds (the “ <i>Project</i> ”).
Documentation	Pursuant to a Loan Agreement among the Authority and the Borrower, the Borrower has agreed to make payments (on a non-recourse basis) to the Authority sufficient to pay the principal of, premium, if any, and interest on the Bonds when due. The Bonds will be secured by a Deed of Trust, Fixture Filing and Security Agreement on the Borrower’s facilities. All rights of the Authority in and to the Loan Agreement, except certain rights to indemnification and payment of expenses, will be assigned to the Purchaser.

Security for the Bonds.....

The Purchaser will receive, as security for the loan to the Borrower, a pledge of the revenues of the Loan Agreement. 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 is 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. 2015 - ____

**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 REVENUE BONDS (BEACON
GROUP PROJECT), SERIES 2015 IN AN AGGREGATE
PRINCIPAL AMOUNT NOT-TO-EXCEED \$6,700,000 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 to Wells Fargo Bank, National Association or one of its affiliates (collectively, the “*Purchaser*”) its Revenue Bonds (Beacon Group Project), Series 2015 (the “*Bonds*”), the proceeds of which are to be loaned to Beacon Group, Inc., an Arizona nonprofit corporation, (the “*Borrower*”), to (i) finance or refinance the acquisition, construction, improvement, equipping or operating of office and administrative facilities located at 308 West Glenn Street and 2700 North Stone Avenue, all in Tucson, Arizona; (ii) acquire additional real property located at 2824 North Oracle Road, 2870 North Oracle Road, and 331 West Laguna Street, all in Tucson, Arizona; and (iii) to pay costs of issuance of the Bonds (the “*Project*”); and

WHEREAS, on June 12, 2015, the Authority resolved to issue the Bonds in an aggregate amount not to exceed \$6,700,000 (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 an Indenture of Trust between the Authority and Wells Fargo Bank, National Association (the “*Indenture*”) and (ii) a Loan Agreement relating to the Bonds (the “*Loan Agreement*”) between the Authority and the Borrower and (iii) 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 is set forth in the Indenture, the Loan Agreement and the form of the 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, Greenberg Traurig, 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 under which the Bonds are to be issued require the approval of the Board of Supervisors of the issuance of the Bonds; and

WHEREAS, pursuant to Section 147(f) of the Code, the chief elected official representing this Board of Supervisors must approve the issuance of the Bonds after a public hearing following reasonable public notice, which hearing has been conducted by the Authority; and

WHEREAS, this Board has presented to it information regarding the Bonds and information regarding the public hearing held by the Authority concerning the Bonds and is further informed and advised with regard to the Bonds.

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

1. Pursuant to Section 147(f) of the Code and the Act, the Board of Supervisors, as the governing body of the Authority and the applicable elected representative of a governmental unit having jurisdiction over the facilities to be financed or refinanced with the proceeds of the Bonds, hereby approves the Bonds and the proceedings under which the Bonds are to be issued by the Authority, including specifically the Resolution described above, 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.
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 _____, 2015.

Sharon Bronson, Chair
PIMA COUNTY BOARD OF SUPERVISORS

ATTEST:

Robin Brigode, Clerk
PIMA COUNTY BOARD OF SUPERVISORS

APPROVED AS TO FORM:

GREENBERG TRAURIG, LLP
Bond Counsel

By: Brigitte Finley Green