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VIA PREMIER SUPPORT SERVICE

November 4, 2015

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 (Odyssey Preparatory
Academy Project), Series 2015 -- In an Amount Not to Exceed \$55,000,000

Ms. Chair and Members of the Board:

As part of its program for financing Arizona charter schools, at its special meeting to be held on November 13, 2015, The Industrial Development Authority of the County of Pima (the "*Authority*"), will consider granting its final approval to a resolution authorizing the issuance of its Education Facility Revenue Bonds (Odyssey Preparatory Academy Project), Series 2015, in one or more series (the "*2015 Bonds*"), in an aggregate principal amount not to exceed \$55,000,000, the proceeds of which will be loaned to The Odyssey Preparatory Academy, 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*").

As always, this issuance of the 2015 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 November 17, 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.

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 2015 Bonds.

In 2010, the Authority previously issued its Education Facility Revenue Bonds (Odyssey Preparatory Academy Project), Series 2010, in an aggregate principal amount of \$9,000,000 (the "*2010 Bonds*"), to benefit the Borrower. The proceeds of the 2010 Bonds were used to finance and/or refinance its charter school facilities located at 6500 South Apache Road in Buckeye, Arizona.

In 2014, the Authority also previously issued its Education Facility Revenue Bonds (Odyssey Preparatory Academy Goodyear Project), Tax-Exempt Series 2014A, in an aggregate principal amount of \$11,495,000 and its Education Facility Revenue Bonds (Odyssey Preparatory Academy Goodyear Project), Taxable Series 2014B, in an aggregate principal amount of \$2,815,000 (the "2014 Bonds"), to benefit the Borrower. The proceeds of the 2014 Bonds were used to finance and/or refinance the charter school facilities located at 17532 West Harrison Street in Goodyear, Arizona.

The proceeds of the 2015 Bonds will be loaned to the Borrower for the purposes of (i) refunding the 2010 Bonds, (ii) financing the costs of acquisition, construction, improvement and furnishing of charter school facilities located at (a) 495 South Airport Road, and (b) near the intersection of McDowell Road and Verrado Way, both in Buckeye, Arizona, (iii) funding of any required reserves as set forth in the Indenture, (iv) paying capitalized interest, if any, on the Bonds, and (v) paying certain issuance expenses (the "2015 Project").

The 2015 Bonds will be issued in accordance with Title 35, Chapter 5, of the Arizona Revised Statutes, as amended (the "Act"). BB&T Capital Markets has been chosen by the Borrower to act as the Underwriter. The Underwriter will sell the 2015 Bonds as unrated bonds in authorized denominations of \$25,000 and integral multiples of \$5,000 thereafter and sold only to "Qualified Institutional Buyers" within the meaning of Rule 144A of the Rules adopted pursuant to the Securities Acts 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. The 2015 Bonds are not part of any pool bond issue.

As always, the 2015 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 2015 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
Charles Huckelberry, Pima County Administrator

FACT SUMMARY

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA EDUCATION FACILITY REVENUE BONDS (ODYSSEY PREPARATORY ACADEMY PROJECT), SERIES 2015

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

The 2015 Bonds	As part of its program for financing Arizona charter schools, the Authority will issue its Education Facility Revenue Bonds (Odyssey Preparatory Academy Project), Series 2015, in one or more series (the "2015 Bonds") in an original principal amount not to exceed \$55,000,000 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 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. The Bonds will be issuable in minimum denominations of \$25,000 and integral multiples of \$5,000 thereof. The Bonds will be sold by BB&T Capital Markets pursuant to a Limited Offering Memorandum. BB&T Capital Markets, or each investor, will execute an investor letter acknowledging their qualifications. The Bonds will not be part of a charter school pool issue.
The Borrower	The Odyssey Preparatory Academy, 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 "Code"). The Borrower will own the building, equipment and improvements to be financed and/or refinanced with proceeds of the 2015 Bonds.
The 2010 Bonds	The Authority previously issued its Charter School Revenue Bonds (Odyssey Preparatory Academy Project), Series 2010 in the original principal amount of \$9,000,000 (the "2010 Bonds"), to benefit the Borrower. The proceeds of the 2010 Bonds were used to finance the 2010 Project (defined below).

The 2010 Project	The 2010 Project consisted of (i) financing and/or refinancing the acquisition, construction, improvement, operation and equipping of the charter school facilities located at 6500 South Apache Road in Buckeye, Arizona (the “ <i>Series 2010 Facilities</i> ”), (ii) funding of any required reserve fund as set forth in the Indenture, (iii) paying capitalized interest on the 2014 Bonds, and (iv) paying certain issuance expenses.
The 2014 Bonds	The Authority previously issued its Education Facility Revenue Bonds (Odyssey Preparatory Academy Goodyear Project), Tax-Exempt Series 2014A, in an aggregate principal amount of \$11,495,000 and its Education Facility Revenue Bonds (Odyssey Preparatory Academy Goodyear Project), Taxable Series 2014B, in an aggregate principal amount of \$2,815,000 to benefit the Borrower. The proceeds of the 2014 Bonds were used to finance the 2014 Project (defined below).
The 2014 Project	The 2014 Project consists of financing or refinancing the costs relating to the charter school facilities located at 17532 West Harrison Street and adjacent parcels in Goodyear, Arizona (the “ <i>2014 Project Site</i> ”). The 2014 Project Site consists of charter school facilities of approximately 10 acres of land with one two-story building and two one-story buildings totaling 33,000 square feet for twenty-four classrooms, offices, faculty lounge and kitchen, multi-propose room and storage areas.
The 2015 Project	The 2015 Project will consist of (i) financing the costs relating to the charter school facilities located at (a) 495 South Airport Road, and (b) near the intersection of McDowell Road and Verrado Way both in Buckeye, Arizona (collectively, with the Series 2010 Facilities, the “ <i>2015 Project Site</i> ”). The 2015 Project will consist of charter school facilities of approximately 20 acres of land with 3 one-story buildings and 3 two-story buildings totaling 161,000 square feet for 79 classrooms, a gymnasium, offices, faculty lounge and kitchen, multi-propose room and storage areas at the 495 South Airport Road site and charter school facilities of approximately 5 acres of land with 1 one-story building totaling 33,000 feet for 21 classrooms, offices, faculty lounge and kitchen, gymnasium/multi-propose room and storage areas at the Verrado Way site.
2015 Bond Proceeds	The proceeds of the 2015 Bonds will be used for the (i) refunding the 2010 Bonds, (ii) financing and/or refinancing the costs of acquisition, construction, improvement, renovation, operation and equipping of the 2015 Project Site, (ii) funding of any required reserve funds, as set forth in the Indenture, (iii) paying capitalized interest, if any, on the 2015Bonds 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 2015 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 2015 Project Site.

Security for the Bonds

The payment of the 2015 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 2015 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 Series 2015 Bonds will be issued as Additional Bonds under the Indenture and will be secured on parity with the 2014 Bonds.

The Authority has no taxing power. The 2015 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 2015 Bonds are payable solely out of the revenues derived from the Loan Agreement (other than to the extent payable out of proceeds of the 2015 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 2015 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 NOT-TO-EXCEED \$55,000,000
EDUCATION FACILITY REVENUE BONDS (ODYSSEY
PREPARATORY ACADEMY PROJECT), SERIES 2015 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 (Odyssey Preparatory Academy Project), Series 2015, in one or more series or subseries (the "*Bonds*"), the proceeds of which are to be loaned to The Odyssey Preparatory Academy, Inc. (the "*Borrower*"), an Arizona nonprofit corporation, for use in (a) refinancing the Authority's Charter School Revenue Bonds (Odyssey Preparatory Academy Project), Series 2010, through the refunding of such bonds, (b) financing the costs of acquisition, construction, improvement and furnishing of charter school facilities located at (i) 495 South Airport Road, and (ii) near the intersection of McDowell Road and Verrado Way, both in Buckeye, Arizona, (c) funding any required reserve funds, as set forth in the Indenture (as defined below), (d) paying capitalized interest on the Bonds, and (e) paying certain issuance expenses related to the Bonds (the "*Series 2015 Project*"); and

WHEREAS, on November 13, 2015, the Authority resolved to issue the Bonds in an aggregate amount not to exceed \$55,000,000 (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) First Supplemental Indenture of Trust, supplementing the Indenture of Trust between the Authority and U.S. Bank National Association (the "*Indenture*"), (b) a Loan Agreement Supplement No. 1 which supplements the 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

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, this Board had presented to it information regarding the Bonds and has been 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 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 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:

KUTAK ROCK LLP,
Bond Counsel

By: 