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VIA FIRST LEGAL SUPPORT SERVICE

October 2, 2019

Richard Elias, Chairman

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: The Industrial Development Authority of the County of Pima - Education
Facility Revenue Bonds (American Leadership Academy Project), Series
2019 - In the Principal Amount of \$48,000,000

Dear Mr. Chairman and Members of the Board:

As part of its program for financing Arizona charter schools, at its special meeting scheduled for October 10, 2019, 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 6, 2019, which authorized the issuance of its Education Facility Revenue Bonds (American Leadership Academy Project), Series 2019, (the "*Bonds*"), the proceeds of which will be loaned to American Leadership 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*").

The Authority and the Board had previously adopted resolutions (the "*Resolutions*"), for these Bonds in connection with the original project description of (i) refinancing the costs of acquisition, construction, improvement, renovation, expansion, operation and equipping of land and charter school facilities located at 22512 S. Signal Butte Road, Queen Creek, Arizona through the refunding of the Senior Education Facility Revenue Loan Obligations (American Leadership Academy Signal Butte Project), Series 2017A and Series 2017B; (ii) financing or refinancing the acquisition, construction, improvement and equipping of land and charter school facilities located at (a) 1750 E. Riggs Road in Gilbert, Arizona, (b) 4380 N. Hunt Highway in Florence, Arizona, (c) 850 W. Combs Road in Queen Creek, Arizona, and (d) 22512 S. Signal Butte Road in Queen Creek, Arizona, (iii) funding of any required reserve funds, (iv) paying capitalized interest, if any, on such Bonds, and (iv) paying certain issuance expenses related to the Bonds (the "*Series 2019 Project*").

The Borrower has now indicated they would like to increase the not to exceed amount of the Bonds (due to an increased cost) from the amount disclosed in the original Resolution (from \$45,000,000 to

PIMA COUNTY BOARD OF SUPERVISORS

October 2, 2019

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\$48,000,000) and they would like to amend the scope of the Series 2019 Project to add (i) land and charter school facilities located at 22624 S. Hawes Road, Queen Creek, Arizona, and (ii) the financing and/or refinancing of the Borrower's obligations related to the purchase of equipment, curriculum, and/or capital expenses used at any or all of the Borrower's charter school facilities listed in the Series 2019 Project and (a) 34696 North Village Lane, San Tan Valley, Arizona, (b) 4507 South Mountain Road, Mesa, Arizona, (c) 1010 S. Higley Road and 1070 S. Higley Road, Gilbert, Arizona, (d) 19843 and 19935 East Chandler Heights Road and 23908, 23618, 23630, 23642 and 2642 South Hawes Road, Queen Creek, Arizona, (e) 650 West Combs Road and 850 West Combs Road, Queen Creek, Arizona, and (f) 3155 South San Tan Village Parkway, Gilbert, Arizona (together with the Series 2019 Project, the "*Additional Project*"). Because the Resolutions for the Bonds have already been approved, the Borrower is now requesting this amendment, consisting of an increase in the not to exceed principal amount and the amendment of the description of the Series 2019 Project to include the Additional Project.

This amendment 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 15, 2019, for the purpose of having the Board of Supervisors approve this amendment. Other than the increase in the not to exceed principal amount, and the amendment of the Series 2019 Project description, no other changes are being made to 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.

As always, the Bonds are special limited obligations of the Authority. The Bonds will be 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 will be 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
Enclosure

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



October 2, 2019

The Industrial Development Authority of the County of Pima
Board of Directors
c/o Russo, Russo & Slania, P.C.
6700 North Oracle Road, Suite 100
Tucson, Arizona 85704

Pima County Board of Supervisors
Mr. Richard Elias, Chairman
Ms. Sharon Bronson
Mr. Steve Christy
Ms. Ally Miller
Mr. Ramón Valadez
County Administration Building
130 West Congress Street, 11th Floor
Tucson, Arizona 85701

Re: \$48,000,000 The Industrial Development Authority of the County of Pima
Education Facility Revenue Bonds (American Leadership Academy Project),
Series 2019

Ladies and Gentlemen:

We represent American Leadership Academy, Inc. (the “Borrower”) in connection with the issuance of the above-captioned bonds.

On September 6, 2019, The Industrial Development Authority of the County of Pima (the “Authority”) approved a resolution authorizing the issuance, offer, sale and delivery of one or more series of its tax-exempt and/or taxable Education Facility Revenue Bonds (American Leadership Academy Project), Series 2019 (the “Bonds”), in an aggregate principal amount of not to exceed \$45,000,000 (the “Original Resolution”). The Pima County Board of Supervisors (“BOS”) approved the Original Resolution on September 17, 2019.

The Original Resolution approved the Bonds for the purposes of paying the costs of (i) refinancing the costs of acquisition, construction, improvement, renovation, expansion, operation and equipping of land and charter school facilities located at 22512 S. Signal Butte Road, Queen Creek, Arizona through the refunding of the Senior Education Facility Revenue Loan Obligations (American Leadership Academy Signal Butte Project), Series 2017A and Series 2017B; (ii) financing or refinancing the acquisition, construction, improvement and equipping of land and charter school facilities located at (a) 1750 E. Riggs Road in Gilbert, Arizona, (b) 4380 N. Hunt Highway in Florence, Arizona, (c) 850 W. Combs Road in Queen Creek, Arizona, and (d) 22512 S. Signal Butte Road in Queen Creek, Arizona, (iii) funding of any required reserve funds, (iv) paying



capitalized interest, if any, on such Bonds, and (iv) paying certain issuance expenses related to the Bonds (the “Series 2019 Project”).

The Borrower is now requesting the Authority and the BOS to make a change in the scope of the Series 2019 Project to amend the description and location of the Series 2019 Project to add: (i) land and facilities located at 22624 S. Hawes Road, Queen Creek, Arizona 85142 (the “Hawes Facilities”), and (ii) the financing and/or refinancing of the Borrower’s obligations related to the purchase of equipment, curriculum, and/or capital expenses used at: the San Tan Facilities, the Mesa Facilities, Gilbert North K-12 Facilities, Queen Creek Facilities, Ironwood K-12 Facilities, Gilbert K-6 Facilities, the Signal Butte Facilities, Gilbert South Facilities, and Anthem Facilities (collectively, the “FF&E Obligations”).

The Hawes Facilities are intended to be used for storage of school buses and other school transportation items. The estimated purchase price is \$350,000. The approximate refinance of the FF&E Obligations is \$1,450,000. The Borrower is also requesting the Authority and the BOS to approve the not to exceed principal amount of the Bonds be increased to \$48,000,000, which increase is necessary to include the above items in the Series 2019 Project.

We respectfully request the Authority and the BOS to consider and approve the amendment to the Original Resolution.

Sincerely,

HOLMES LAW, PLC

A handwritten signature in black ink, appearing to read 'Brian J. Holmes'.

Brian J. Holmes, Esq.

RESOLUTION NO. 2019-____
AMENDING RESOLUTION NO. 2019-67

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 (AMERICAN LEADERSHIP ACADEMY PROJECT), SERIES 2019 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 (American Leadership Academy Project), Series 2019, in one or more series or subseries (the "*Bonds*"), the proceeds of which are to be loaned to American Leadership Academy, Inc. (the "*Borrower*"), an Arizona nonprofit corporation, for use in (i) refinancing the costs of acquisition, construction, improvement, renovation, expansion, operation and equipping of land and charter school facilities located at 22512 S. Signal Butte Road, Queen Creek, Arizona through the refunding of the Senior Education Facility Revenue Loan Obligations (American Leadership Academy Signal Butte Project), Series 2017A and Series 2017B; (ii) financing or refinancing the acquisition, construction, improvement and equipping of land and charter school facilities located at (a) 1750 E. Riggs Road in Gilbert, Arizona, (b) 4380 N. Hunt Highway in Florence, Arizona, (c) 850 W. Combs Road in Queen Creek, Arizona, and (d) 22512 S. Signal Butte Road in Queen Creek, Arizona, (iii) funding of any required reserve funds, (iv) paying capitalized interest, if any, on such Bonds, and (v) paying certain issuance expenses related to the Bonds (the "*Series 2019 Project*"); and

WHEREAS, on September 6, 2019, the Authority resolved to issue the Bonds for the purposes expressed in such above resolution (the "*Resolution*"); and

WHEREAS, on September 17, 2019, the Pima County Board of Supervisors adopted Resolution No. 2019-67, which approved the issuance of the Bonds for the purposes expressed in such Resolution; and

WHEREAS, the Borrower has subsequently requested the Authority to make a change in the scope of the project, and that therefore the Borrower would like to increase the not to exceed principal amount of the Bonds to \$48,000,000, and to amend the scope of the Series 2019 Project to add (i) land and charter school facilities located at 22624 S. Hawes Road, Queen Creek, Arizona, and (ii) the financing and/or refinancing of the Borrower's obligations related to the purchase of equipment, curriculum, and/or capital expenses used at any or all of the Borrower's charter school facilities listed in the Series 2019 Project and (a) 34696 North Village Lane, San Tan Valley, Arizona, (b) 4507 South Mountain Road, Mesa, Arizona, (c) 1010 S. Higley Road and 1070 S. Higley Road, Gilbert, Arizona, (d) 19843 and 19935 East Chandler Heights Road and 23908, 23618, 23630, 23642 and 2642 South Hawes Road, Queen Creek, Arizona, (e) 650 West Combs Road and 850 West Combs Road, Queen Creek, Arizona, and (f) 3155 South San Tan Village Parkway, Gilbert, Arizona (collectively, the "*Additional Project*"); and

WHEREAS, on October 10, 2019, the Authority amended its Resolution (the "*Amended Resolution*") regarding the Bonds to increase the principal amount of the Bonds to

\$48,000,000, and to change the scope of the Series 2019 Project to include the Additional Project, 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 Pima County Board of Supervisors is being requested to amend its Resolution No. 2019-67 regarding the Bonds to increase the not to exceed principal amount of the Bonds to \$48,000,000, and amend the definition of the Series 2019 Project to include the Additional Project; 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 sizing for the Project related to the Bonds is hereby amended to increase the not to exceed principal amount of the Bonds to \$48,000,000, and the definition of the Series 2019 Project is hereby amended to include the Additional Project (as defined herein), 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.

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 _____, 2019.

Richard Elias, Chairman
PIMA COUNTY BOARD OF SUPERVISORS

ATTEST:

Julie Castañeda, Clerk
PIMA COUNTY BOARD OF SUPERVISORS

APPROVED AS TO FORM:

KUTAK ROCK LLP,
Bond Counsel

By: 