

**CITY COUNCIL MEMO**

**THE INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE CITY OF SIERRA VISTA  
EDUCATION FACILITY REVENUE BONDS  
(AMERICAN LEADERSHIP ACADEMY PROJECT), SERIES 2024**

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- The Series 2024 Bonds . . . . . The Authority will issue its Education Facility Revenue Bonds (American Leadership Academy Project), Series 2024 (the “*Series 2024 Bonds*”), in one or more series or subseries and in an original principal amount not to exceed \$250,000,000 and a maturity date not to exceed 40 years. The Series 2024 Bonds will bear interest at a fixed rate.
- Public Sale. . . . . The Series 2024 Bonds will be issued as unrated, fully registered bonds and will be publicly sold by Robert W. Baird & Co. Inc. through the use of a Preliminary Limited Offering Memorandum and final Limited Offering Memorandum. The Series 2024 Bonds will then be issued either in (a) authorized denominations of \$25,000 or any integral multiple of \$5,000 in excess thereof of principal, 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 offer and sale of securities without registration under the Securities Act of 1933, with an initial investor letter or (b) upon and after receipt by UMB Bank, National Association, as trustee (the “*Trustee*”) from the Borrower of a rating letter by Fitch, S&P or Moody’s indicating that the Series 2024 Bonds are rated “BBB-” or “Baa3,” as applicable, or better, the authorized denominations shall be \$5,000 and any multiple in excess thereof. The Series 2024 Bonds will initially be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company.
- The Borrower . . . . . American Leadership Academy, Inc. (the “*Borrower*”), an Arizona non-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, operating exclusively for charitable and educational purposes as a charter school under the Charter School Act, Arizona Revised Statutes Title 15, Chapter 1, Article 8, as amended. The Borrower operates multiple campuses pursuant to a single charter school contract with the Arizona State Board of Charter Schools.

The Series 2023 Bonds . . . . . The Authority previously issued its Education Facility Revenue Bonds (American Leadership Academy Project), Series 2023 (the “*Series 2023 Bonds*”) on August 31, 2023 in the amount of \$141,505,000 pursuant to an Indenture of Trust (the “*Original Indenture*”) and lent the proceeds to the Borrower pursuant to a Loan Agreement (the “*Original Loan Agreement*”).

The Series 2023 Project . . . . . The proceeds of the Series 2023 Bonds were used for the purposes of (i) financing, refinancing and/or reimbursing the Borrower for the acquisition, construction, improving, renovating, operating and equipping of land and/or facilities located at 8450 West Franklin Road, Florence, Arizona and 17760 West Olive Avenue, Waddell, Arizona, (ii) financing, refinancing or reimbursing the Borrower for improving, renovating operating and equipping the Borrower’s other various charter school locations (leased or owned by the Borrower), all located in the State of Arizona, (iii) funding of any required reserves, (iv) paying capitalized interest, if any, on the Series 2023 Bonds, (v) funding working capital, if any, and (vi) paying certain issuance expenses.

Pima Bonds . . . . . The Industrial Development Authority of the County of Pima (the “*Pima IDA*”) has previously issued, for the Borrower, various charter school revenue bonds (collectively, the “*Pima Bonds*”): (i) the Pima IDA’s Education Facility Revenue Bonds (American Leadership Academy Project), Series 2015 in the amount of \$24,890,000, (ii) the Pima IDA’s Education Facility Revenue Bonds (American Leadership Academy Project), Series 2019 in the amount of \$40,475,000, (iii) the Pima IDA’s Education Facility Revenue Bonds (American Leadership Academy Project), Series 2021 in the amount of \$20,250,000 and (iv) the Pima IDA’s Education Facility Revenue Refunding Bonds (American Leadership Academy Project), Series 2022 in the amount of \$186,960,000, portions of all of which are outstanding. Each of the projects for the Pima Bonds consisted of financing and refinancing the acquisition, construction, improvement, renovation and equipping of charter school facilities located at various charter school facilities owned by the Borrower.

Parity . . . . . The Series 2024 Bonds will be on parity with the Series 2023 Bonds pursuant to the first supplement to the Original Indenture. Through an Intercreditor Agreement and/or a Custody Agreement, the Trustee for the Series 2023 Bonds and the Series 2024 Bonds will have a parity lien with the trustee for the Pima Bonds as to certain shared collateral, including the Borrower’s revenues.

The Series 2024 Project . . . . . The proceeds of the Series 2024 Bonds will be used for the purposes of (i) financing, refinancing and/or reimbursing the Borrower for the acquisition, construction, improving, renovating, operating and equipping of land and/or facilities located at 7729 East Pecos Road, Mesa Arizona and 5901 East Thomas Road, Mesa, Arizona (collectively, the “*Series 2024 Facilities*”), (ii) financing, refinancing or reimbursing the Borrower for improving, renovating, operating and equipping the Series 2024 Facilities, and/or the Borrower’s other various charter school locations, all located in the State of Arizona and leased or owned by the Borrower, (iii) funding of any required reserves, (iv) paying capitalized interest, if any, on the Series 2024 Bonds, (v) funding working capital, if any, and (vi) paying certain issuance expenses.

Documentation . . . . . Pursuant to a first supplement to the Original Loan Agreement between the Authority and the Borrower, the Borrower will agree to make payments to the Trustee (on behalf of the Authority) sufficient to pay the principal of, premium, if any, and interest on the Series 2024 Bonds when due. The Borrower’s obligations under the Original Loan Agreement (as supplemented) will be secured by one or more Deeds of Trust, which will be recorded on certain of the Borrower’s properties, including the Series 2024 Facilities.

# SLANIA LAW, PLLC

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VIA EMAIL

July 18, 2024

Clea McCaa II, Mayor  
Carolyn Umphrey, Mayor Pro Tem  
William Benning, Council Member  
Gregory Johnson, Council Member  
Angelica Landry, Council Member  
Marta Messmer, Council Member  
Mark Rodriguez, Council Member  
**CITY OF SIERRA VISTA**  
1011 N. Coronado Drive  
Sierra Vista, Arizona, 85635

Re: The Industrial Development Authority of the City of Sierra Vista – Notice of Intention to Issue Bonds – Education Facility Revenue Bonds (American Leadership Academy Project), Series 2024 - In an Amount Not to Exceed \$250,000,000

Dear Mr. Mayor and Members of the City Council:

At its meeting held on July 16, 2024, The Industrial Development Authority of the City of Sierra Vista (the “*Authority*”), granted its final approval to a resolution authorizing the issuance of its Education Facility Revenue Bonds (American Leadership Academy Project), Series 2024 (the “*Series 2024 Bonds*”), in one or more series and in an aggregate principal amount not to exceed \$250,000,000, the proceeds of which will be loaned to American Leadership Academy, Inc. (the “*Borrower*”), a duly organized and validly existing Arizona non-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, operating exclusively for charitable and educational purposes as a charter school under the Charter School Act, Arizona Revised Statutes Title 15, Chapter 1, Article 8, as amended.

The proceeds of the Series 2024 Bonds will be loaned to the Borrower for the purposes of (i) financing, refinancing and/or reimbursing the Borrower for the acquisition, construction, improving, renovating, operating and equipping of land and/or facilities located at 7729 East Pecos Road, Mesa, Arizona and 5901 East Thomas Road, Mesa, Arizona (collectively, the “*Series 2024 Facilities*”), (ii) financing, refinancing or reimbursing the Borrower for improving, renovating, operating and equipping the Series 2024 Facilities and/or the Borrower’s other various charter school locations, all located in the State of Arizona and leased or owned by the Borrower, (iii) funding of any required reserves, (iv) paying capitalized interest, if any, on the Series 2024 Bonds, (v) funding working capital, if any, and (vi) paying certain issuance expenses (collectively, the “*Series 2024 Project*”).

As always, this issuance of the Series 2024 Bonds is subject to the approval of Mayor and City Council of the City of Sierra Vista. Therefore, the Authority respectfully requests that this

matter be placed on the Mayor and City Council Regular Meeting Agenda scheduled for July 25, 2024, for the purpose of having the Mayor and City Council approve the action of the Authority. Enclosed herewith are (a) the Resolution of the Mayor and City Council of the City of Sierra Vista approving the transaction and (b) a Memo to the City Council on the Bonds, together with the Resolution approved by the Authority.

The Authority previously issued its Education Facility Revenue Bonds, (American Leadership Academy Project) Series 2023 (the "*Series 2023 Bonds*") in the amount of \$141,505,000, the proceeds of which were issued to the Borrower for the purposes of (i) financing, refinancing and/or reimbursing the Borrower for the acquisition, construction, improving, renovating, operating and equipping of land and/or facilities located at 8450 West Franklin Road, Florence, Arizona and 17760 West Olive Avenue, Waddell, Arizona; (ii) financing, refinancing or reimbursing the Borrower for improving, renovating, operating and equipping the Borrower's other various charter school locations (leased or owned by the Borrower), all located in the State of Arizona; (iii) funding of any required reserves as set forth in the Indenture (defined below), (iv) paying capitalized interest, if any, on the Series 2023 Bonds, (v) funding working capital, if any, and (vi) paying certain issuance expenses. The Series 2023 Bonds are currently outstanding, pursuant to an Indenture of Trust dated as of August 1, 2023, between the Authority and UMB Bank, National Association, as the Trustee (the "*Indenture*").

The Series 2024 Bonds are to be issued in accordance with Title 35, Chapter 5, of the Arizona Revised Statutes, as amended (the "*Act*"). The Authority believes that the payment of the fee to it by the Borrower in respect of the Series 2024 Bonds will provide a benefit to the City of Sierra Vista, as such fee will be used by the Authority for economic development purposes within the City, as well as its general administrative costs.

The Series 2024 Bonds will be publicly sold by Robert W. Baird & Co. Inc. and will be issued either in (a) authorized denominations of \$25,000 or any integral multiple of \$5,000 in excess thereof of principal 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 offer and sale of securities without registration under the Securities Act of 1933, with an initial investor letter or (b) upon and after receipt by the Trustee from the Borrower of a rating letter by Fitch, S&P or Moody's indicating that the Series 2024 Bonds are rated "BBB-" or "Baa3", as applicable or better, the authorized denominations shall be \$5,000 and any integral multiple thereof. The Series 2024 Bonds will initially be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company. The Series 2024 Bonds will be on parity with the Series 2023 Bonds of the Authority, and there will be an Intercreditor Agreement and/or Custody Agreement regarding a parity pledge by the Borrower regarding certain shared collateral with other revenue bonds for the Borrower.

As always, the Series 2024 Bonds are special limited obligations of the Authority. The Series 2024 Bonds are payable solely from payments made by the Borrower pursuant to the Indenture (as supplemented) and a loan agreement (as supplemented) and secured by one or more deeds of trust (mortgage) on the Series 2024 Facilities and certain other facilities owned by the Borrower. Such payments are pledged to the Trustee under the Indenture, for payment to the holders of the Series 2024 Bonds. Neither the faith and credit, nor the taxing power of the

Mayor and City Council of Sierra Vista

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Authority or the City of Sierra Vista or any other political subdivision thereof, are pledged to the payment of the Series 2024 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,

SLANIA LAW, PLLC.



Michael A. Slania  
Attorney for the Authority

MAS/ub

Enclosures

C: Jill Adams, City Clerk

Nathan Williams, City Attorney

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SIERRA VISTA 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 2024, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$250,000,000 (THE "SERIES 2024 BONDS"); AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE OF TRUST, A SUPPLEMENTAL LOAN AGREEMENT NO. 1, A BOND PURCHASE AGREEMENT, AND DELIVERY OF A PRELIMINARY OFFERING DOCUMENT AND A FINAL OFFERING DOCUMENT; APPROVING THE TERMS OF THOSE DOCUMENTS AND ANY RELATED DOCUMENTS TO BE EXECUTED AND DELIVERED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SIERRA VISTA; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE SERIES 2024 BONDS; AND AUTHORIZING OTHER ACTIONS NECESSARY IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2024 BONDS.

WHEREAS, The Industrial Development Authority of the City of Sierra Vista (the "Issuer"), a nonprofit corporation designated a political subdivision of the State of Arizona (the "State"), incorporated with the approval of the City of Sierra Vista, Arizona (the "City"), 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 from the proceeds of the sale of its revenue bonds to any person to provide for financing and refinancing the costs of acquiring, constructing, improving, equipping and maintaining 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 to enter into supplements to the Loan Agreement and the Indenture as well as the Bond Purchase Agreement, all as hereafter defined, upon the terms and conditions provided herein and therein; and

WHEREAS, the Issuer previously issued its Education Facility Revenue Bonds (American Leadership Academy Project) Series 2023 in an aggregate amount of \$141,505,000 (the "Series 2023 Bonds") pursuant to an Indenture of Trust dated August 1, 2023 (the "Original Indenture") between the Issuer and UMB Bank, National Association, as trustee (the "Trustee") and loaned the proceeds to American Leadership Academy, Inc. (the "Borrower") pursuant to a Loan Agreement dated August 1, 2023 (the "Original Loan Agreement") between the Issuer and the Borrower for the purposes of: (i) financing, refinancing and/or reimbursing the Borrower for the acquisition, construction, improving, renovating, operating and equipping of land and facilities located at 8450 West Franklin Road, Florence, Arizona and 17760 West Olive Avenue, Waddell, Arizona, (ii) financing, refinancing or reimbursing the Borrower for fixtures, furniture and/or equipment to be used at the Borrower's charter school locations located in Arizona, (iii) funding a



Debt Service Reserve Fund, (iv) paying capitalized interest, and (v) paying certain issuance expenses; and

WHEREAS, the Borrower, a duly organized and validly existing Arizona nonprofit corporation operated exclusively for charitable and educational purposes as a charter school under Arizona Revised Statutes Title 15, Chapter 1, Article 8, as amended, has requested that the Issuer issue its revenue bonds for the purposes of: (i) financing, refinancing and/or reimbursing the Borrower for the acquisition, construction, improving, renovating, operating and equipping of land and/or facilities located at 7729 East Pecos Road, Mesa Arizona and 5901 East Thomas Road, Mesa, Arizona (collectively, the “Series 2024 Facilities”), (ii) financing, refinancing or reimbursing the Borrower for improving, renovating, operating and equipping the Series 2024 Facilities, and/or the Borrower’s other various charter school locations, all located in the State of Arizona and leased or owned by the Borrower, (iii) funding of any required reserves, (iv) paying capitalized interest, if any, on the Series 2024 Bonds, (v) funding working capital, if any, and (vi) paying certain issuance expenses (collectively, the “Series 2024 Project”); and

WHEREAS, in furtherance of the purposes of the Act, the Issuer proposes to issue one or more series of its tax-exempt and/or taxable Education Facility Revenue Bonds (American Leadership Academy Project), Series 2024 in an aggregate principal amount of not to exceed \$250,000,000 (the “Series 2024 Bonds”) pursuant to the Original Indenture, as supplemented by the First Supplemental Indenture of Trust (the “First Supplemental Indenture” and, together with the Original Indenture, the “Indenture”) to be dated as of the first day of the month in which the Series 2024 Bonds are issued, between the Issuer and the Trustee, the proceeds of which will be loaned to the Borrower, pursuant to the Original Loan Agreement, as supplemented by the Loan Agreement Supplement No. 1 (the “Loan Agreement Supplement No. 1” and, together with the Original Loan Agreement, the “Loan Agreement”) to be dated as of the first day of the month in which the Bonds are issued, between the Issuer and the Borrower, to finance the costs of the Series 2024 Project; and

WHEREAS, the Series 2024 Bonds will be issued on parity with the Series 2023 Bonds and are payable from the Trust Estate (as that term is defined in the Indenture), which will include, among other items, payments of principal and interest on the Promissory Note to be executed by the Borrower (the “Promissory Note”) and one or more Deeds of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing, to be executed by the Borrower (collectively, the “Deed of Trust”), all of which will be assigned to the Trustee; and

WHEREAS, there have been prepared and presented at this meeting and there are on file with this Board proposed forms of the following documents:

- (a) First Supplemental Indenture;
- (b) Loan Agreement Supplement No. 1;
- (c) Bond Purchase Agreement (the “Bond Purchase Agreement”), among the Issuer, the Borrower and Robert W. Baird & Co. Inc., or such underwriter as the Borrower may select (the “Underwriter”); and



(d) a form of Preliminary Limited Offering Memorandum (which may also ultimately be in the form of a Preliminary Official Statement, the “Preliminary Offering Document”), which together with certain changes thereto will become the final Limited Offering Memorandum (or final Official Statement), relating to the Series 2024 Bonds (the “Offering Document”).

The documents identified in paragraphs (a)-(c) above are collectively referred to herein as the “Issuer Documents”; and

WHEREAS, this Board determines hereby that the execution and delivery of the Issuer Documents, the issuance and sale of the Series 2024 Bonds by the Issuer, and the loan of the proceeds of the Series 2024 Bonds to the Borrower to finance the Series 2024 Project, will each be in furtherance of the purposes of the Issuer and the Act; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SIERRA VISTA AS FOLLOWS:

Section 1. Authority. The Series 2024 Bonds herein authorized shall be issued pursuant to the laws of the State, the Act and the Code (defined below) and other applicable provisions of law.

It is hereby determined that the Series 2024 Project to be financed with the Series 2024 Bonds is a “project,” as defined in and permitted by the Act, and the financing of the Series 2024 Project is in the public interest and is consistent with the purposes of the Act.

Section 2. Definitions. In addition to words and terms elsewhere defined in this Resolution, the following words and terms shall have the following meanings unless some other meaning is plainly intended and provided that the dated date of the documents described in this Resolution to which the Issuer is a party may be changed upon the advice of Slania Law, PLLC, as counsel to the Issuer, to date or dates determined to best effectuate the provisions of this Resolution, the determination to be conclusively evidenced by the execution and delivery by an officer of the Issuer of the respective documents with the amended dates:

“Board” means the Board of Directors of The Industrial Development Authority of the City of Sierra Vista.

“Closing Date” means the date upon which there is an exchange of Series 2024 Bonds for proceeds representing the purchase price thereof.

“Code” means the Internal Revenue Code of 1986, and all applicable regulations (whether temporary or final) under that Code and the statutory predecessor of the Code, as applicable, and any official rulings and judicial determinations under the foregoing applicable to the Series 2024 Bonds.

Section 3. Authorization and Terms of Series 2024 Bonds. Pursuant to the Act and the terms of the Indenture, there is hereby authorized the issuance and sale of the Series 2024 Bonds of the Issuer in one or more series to be known as “Education Facility Revenue Bonds (American

Leadership Academy Project), Series 2024,” or such other name as provided in the Indenture, in an original aggregate principal amount of not to exceed \$250,000,000, for the purpose of paying costs of the Series 2024 Project. The Series 2024 Bonds shall be issued in the forms and on the terms set forth in the Indenture. The Series 2024 Bonds shall be dated, be in fully registered form, and be transferable as provided for in the Indenture (as executed and delivered by and on behalf of the Issuer).

The Series 2024 Bonds shall mature on the date or dates as set forth in the Indenture, provided that the final maturity of the Series 2024 Bonds shall not be later than forty years after the Closing Date.

The Series 2024 Bonds shall bear interest at the rate or rates of interest per year as set forth in the Indenture, provided that the rate or rates of interest shall not exceed 12% per year. Interest on the Series 2024 Bonds shall be payable on each interest payment date and at other times as set forth in the Indenture until the principal sum is paid or duly provided for.

The Series 2024 Bonds shall be payable solely out of the payments, revenues and receipts received by the Issuer pursuant to the Loan Agreement, and other security provided in the Indenture, and the payments, revenues and receipts shall be pledged and assigned to the Trustee as security for the payment of the Series 2024 Bonds as provided in the Indenture. The approval of the Issuer of the final terms of the Series 2024 Bonds as set forth in the Indenture shall be conclusively evidenced by execution of the Indenture by an authorized officer of the Issuer.

The Series 2024 Bonds shall be subject to redemption prior to maturity, be executed and authenticated and be in such denominations as provided in the Indenture.

Section 4. Execution of the Series 2024 Bonds. The forms, terms and provisions of the Series 2024 Bonds, in the forms contained in the Indenture, are hereby approved, with only those changes as are not inconsistent with this Resolution and are permitted under the Indenture. The President and the Secretary, Assistant Secretary or other officer of the Issuer designated by the President, are each hereby authorized to execute the Series 2024 Bonds and are each hereby authorized to cause them to be delivered. The signatures of the President and the Secretary, Assistant Secretary or other officer of the Issuer on the Series 2024 Bonds may be by manual or facsimile signature. No Series 2024 Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution or the Indenture unless and until the certificate of authentication printed on the Series 2024 Bonds is signed by the Trustee.

Section 5. Execution of Documents. The forms, terms and provisions of the Issuer Documents (including the exhibits thereto), in the forms of such documents presented to this meeting, are hereby approved, with such insertions, deletions and changes as are not inconsistent herewith and as are permitted by the Act and the Code, as shall be approved by those officers executing and delivering the same on behalf of the Issuer, and execution and delivery of the Issuer Documents by an officer of the Issuer shall constitute conclusive evidence of their approval and of this Board’s approval of any such changes from the respective forms presented to this meeting. Any officer of the Issuer is hereby authorized to execute and deliver the First Supplemental Indenture, the Loan Agreement Supplement No. 1, the other Issuer Documents, and any other documents related to the Series 2024 Bonds on behalf of this Board. The authorization of the

issuance of the Series 2024 Bonds is expressly conditioned upon the understanding that the Issuer will not execute any document or consent to the execution of any document until the form of the document is acceptable to Slania Law, PLLC, counsel to the Issuer.

Section 6. Request for Authentication. The President or any other officer of the Issuer is hereby authorized to execute and deliver to the Trustee any written order of the Issuer for authentication and delivery of the Series 2024 Bonds to the Underwriter.

Section 7. Bond Purchase Agreement; Sale of Series 2024 Bonds. The Issuer hereby authorizes the sale and delivery of the Series 2024 Bonds to the Underwriter on the terms set forth in the Bond Purchase Agreement and the execution by any officer of the Issuer of the Bond Purchase Agreement in substantially the form presented to this meeting, or with changes or revisions to the form of the Bond Purchase Agreement as the officer approves after consultation with Slania Law, PLLC, counsel to the Issuer, with approval to be conclusively evidenced by the officer's execution.

Section 8. Other Actions. To the extent permitted by law, any of the officers and agents of the Issuer are hereby authorized and directed to take all action necessary on its part or reasonably required by the parties to the Issuer Documents to carry out, give effect to and consummate the transactions contemplated thereby, including, without limitation, the authorization of payment of the Series 2024 Bonds as provided in the Indenture and the execution and delivery of the closing and other documents necessary or appropriate to be delivered in connection with the issuance, offer, sale and delivery of the Series 2024 Bonds.

Section 9. Offering Documents. The lawful use and distribution by the Underwriter of the Preliminary Offering Document and the final Offering Document in connection with the offering for sale of the Series 2024 Bonds is hereby ratified, confirmed and approved. Any officer of the Issuer is hereby authorized and directed to execute and deliver to the Underwriter any documents relating to the portion of the Preliminary Offering Document and the final Offering Document relating to the Issuer, with changes to the documents as are necessary to conform to the Bond Purchase Agreement and any further changes as are not, in the opinion of the officer, inconsistent with the actions taken and the documents approved at this meeting.

Section 10. Declaration of Intent to Authorize Reimbursement. The Issuer hereby expresses its intent to reimburse certain qualified expenditures incurred by the Borrower with respect to the acquisition, construction, equipping and furnishing of the Series 2024 Project with proceeds of the Series 2024 Bonds issued and sold pursuant to the provisions of the Act in a principal amount presently estimated not to exceed the amount set forth in Section 3 above.

Section 11. Limited Obligations. Nothing contained in this Resolution or in the Issuer Documents or any other document or instrument, shall be construed as obligating the Issuer, except to the extent provided in the documents or instruments, or as incurring a charge upon the general credit or taxing power of the Issuer, the City or the State or any other political subdivision thereof, nor shall the breach of any agreement contained in this Resolution, the Issuer Documents or any other instrument or document executed in connection therewith impose any charge upon the general credit or taxing power of the Issuer, the City or the State or any other political subdivision thereof. The Issuer has no taxing power.

Section 12. Actions of Officers, Staff, Directors and Agents. All actions of the officers, staff, consultants, directors and agents of the Issuer which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance, sale and delivery of the Series 2024 Bonds as contemplated by this Resolution and the documents referred to herein, whether heretofore or hereafter taken, shall be and are hereby ratified, confirmed and approved. The proper officers, staff, consultants, directors and agents of the Issuer are hereby authorized and directed to do all acts and to execute, acknowledge and deliver all documents on behalf of the Issuer as may be deemed necessary or desirable to carry out the terms and intent of this Resolution and of any of the documents referred to in this Resolution.

Section 13. Role of Trustee. The Trustee, UMB Bank, National Association, shall continue to serve as trustee, bond registrar and paying agent under the Indenture and is hereby confirmed as such.

Section 14. Tax Covenants. The Issuer covenants that it will restrict the use of the proceeds of any Series 2024 Bonds the interest on which is excludable from gross income for federal income tax purposes (the "Tax-Exempt Series 2024 Bonds") in the manner and to the extent, if any, which may be necessary, after taking into account reasonable expectations at the time of the delivery of and payment for the Tax-Exempt Series 2024 Bonds, so that the Tax-Exempt Series 2024 Bonds will not constitute arbitrage bonds under Section 148 of the Code. To those ends, the President, or any other officer of the Board having responsibility for issuing the Series 2024 Bonds, is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee, director, consultant or agent of the Issuer to give: (i) an appropriate certificate of the Issuer, for inclusion in the transcript of proceedings for the Series 2024 Bonds, setting forth the reasonable expectations of the Issuer regarding the amount and use of the proceeds of the Tax-Exempt Series 2024 Bonds and the facts, estimates and circumstances on which those expectations are based, all as of the date of delivery of and payment for the Series 2024 Bonds, and (ii) the statement setting forth the information, with respect to the Tax-Exempt Series 2024 Bonds, required by Section 149(e) of the Code.

The Issuer covenants that it: (A) will take or require to be taken all actions that may be required of it for the interest on the Tax-Exempt Series 2024 Bonds to be and remain excluded from gross income for federal income tax purposes; and (B) will not take or authorize to be taken any actions that would adversely affect that exclusion under the provisions of the Code, and that it, or persons acting for it, will, among other acts of compliance: (i) restrict the yield on investment property acquired with the proceeds of the Tax-Exempt Series 2024 Bonds; (ii) make timely rebate payments to the federal government; and (iii) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure exclusion of that interest under the Code; and the appropriate officers of the Issuer are hereby authorized and directed to take any and all actions as may be appropriate to assure exclusion of that interest. In its performance of these covenants and other covenants of the Issuer, including covenants in the Issuer Documents, pertaining to federal income tax laws, the Issuer may rely in good faith upon the advice of nationally recognized bond counsel which is in writing and is provided to the Trustee.

Section 15. Advice of Counsel. In the execution and delivery of any instruments authorized hereby, the President and any other officer of the Board are hereby authorized to rely on advice of Slania Law, PLLC, as counsel to the Issuer, to make modifications therein and to

execute and deliver additional instruments as may be reasonably required to effect the issuance, sale and delivery of the Series 2024 Bonds.

Section 16. Conditions. In addition to the other conditions set forth herein (including those conditions set forth in Section 18 hereof) and in the Issuer Documents, the issuance, delivery and sale of the Series 2024 Bonds is subject to satisfaction of the following conditions:

(i) unless the Series 2024 Bonds are rated “BBB-” or better (or an equivalent rating) from a nationally recognized bond rating agency, each initial purchaser of the Series 2024 Bonds shall execute and deliver an investor acknowledgement letter in form and substance satisfactory to the Issuer and its counsel;

(ii) the Borrower shall pay or cause to be paid on the Closing Date the reasonable fees and expenses of the Issuer, including without limitation, the fees and expenses of its counsel; and

(iii) the Borrower shall agree to pay or cause to be paid the Issuer’s Fee (as defined in the Indenture) in the amounts and at the times set forth in the Issuer Documents.

Section 17. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of the section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 18. City Approval. The approval of the City Council of the City of Sierra Vista shall be a condition precedent to the issuance of the Series 2024 Bonds. This Board hereby requests such approval and directs its Secretary to promptly deliver a certified copy of this Resolution to the City Council.

Section 19. Delegation to Alternate Officers. In the event of the absence, unavailability or inability to act of the President or the Secretary, the then President, the Vice President, any assistant or acting Secretary, or any other member of this Board, are each authorized and empowered to take all actions, and to execute all documents and instruments and to deliver the same, as are herein authorized to be taken or executed and delivered by the President or the Secretary, as the case may be.

Section 20. Repeal of Conflicting Resolutions, Effective Date and Irrepealability. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of the conflict, hereby repealed, and this Resolution shall be in immediate effect from and after its adoption.

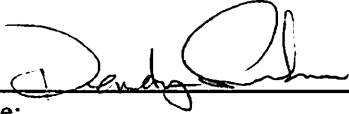
Section 21. Waivers. Any provisions of any bylaws, orders, procedural pamphlets and resolutions of the Issuer inconsistent herewith are hereby waived to the extent only of the inconsistency. This waiver shall not be construed as repealing any bylaw, order, procedural pamphlet or resolution or any part thereof.

Section 22. Legal Compliance. It is found and determined that all formal actions of the Issuer and the 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 [ 16th ] day of July, 2024.

THE INDUSTRIAL DEVELOPMENT  
AUTHORITY OF THE CITY OF SIERRA VISTA

By:  \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: President

**RESOLUTION 2024- 050**

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SIERRA VISTA, COCHISE COUNTY, ARIZONA APPROVING THE PROCEEDINGS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SIERRA VISTA REGARDING THE ISSUANCE OF ITS EDUCATION FACILITY REVENUE BONDS (AMERICAN LEADERSHIP ACADEMY PROJECT), SERIES 2024 IN AN AMOUNT NOT TO EXCEED \$250,000,000; AUTHORIZING AND DIRECTING THE CITY MANAGER, CITY CLERK, CITY ATTORNEY AND/OR THEIR DULY AUTHORIZED OFFICERS AND AGENTS TO TAKE ALL STEPS NECESSARY TO CARRY OUT THE PURPOSES AND INTENT OF THIS RESOLUTION; AND DECLARING AN EMERGENCY**

WHEREAS, The Industrial Development Authority of the City of Sierra Vista (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 2024 in one or more series or subseries (the “*Series 2024 Bonds*”), the proceeds of which are to be loaned to American Leadership Academy, Inc. (the “*Borrower*”), a duly organized and validly existing Arizona non-profit corporation and an organization as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, operating exclusively for charitable and educational purposes as a charter school under the Charter School Act, Arizona Revised Statutes Title 15, Chapter 1, Article 8, as amended, for the purposes of (i) financing, refinancing and/or reimbursing the Borrower for the acquisition, construction, improving, renovating, operating and equipping of land and/or facilities located at 7729 East Pecos Road, Mesa, Arizona and 5901 East Thomas Road, Mesa, Arizona (collectively, the “*Series 2024 Facilities*”), (ii) financing, refinancing or reimbursing the Borrower for improving, renovating, operating and equipping the Series 2024 Facilities, and/or the Borrower’s other various charter school locations, all located in the State of Arizona and leased or owned by the Borrower, (iii) funding of any required reserves, (iv) paying capitalized interest, if any, on the Series 2024 Bonds, (v) funding working capital, if any, and (vi) paying certain issuance expenses; and

WHEREAS, on July 16, 2024, the Authority resolved to issue the Series 2024 Bonds in one or more series or subseries and in an aggregate amount not to exceed \$250,000,000 (the “*Authority’s Resolution*”), such issuance being conditioned upon, among other things, the granting of approval to the issuance of the Series 2024 Bonds by the Mayor and City Council of the City of Sierra Vista; and

WHEREAS, the Authority’s Resolution has been made available to the Mayor and City Council of the City of Sierra Vista, 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 Series 2024 Bonds and the execution and delivery of (a) one or more supplemental indentures, supplementing the Indenture of Trust dated as of August 1, 2023 (as supplemented, collectively, the "*Indenture*") between the Authority and UMB Bank, National Association, (b) one or more supplemental agreements, supplementing the Loan Agreement dated as of August 1, 2023 (as supplemented, collectively, the "*Loan Agreement*") between the Authority and the Borrower, (c) the Bond Purchase Agreement (the "*Bond Purchase Agreement*"), among the Authority, the Borrower and Robert W. Baird & Co. Inc. as underwriter and (d) such other documents as may be required for the issuance of the Series 2024 Bonds; and

WHEREAS, the terms, maturities, provisions for redemption, security and sources of payment for the Series 2024 Bonds are set forth in the Indenture, the Loan Agreement and the form of the Series 2024 Bonds themselves; and

WHEREAS, copies of said documents have been made available to the Mayor and City Council of the City of Sierra Vista, together with the Authority's Resolution; and

WHEREAS, the Mayor and City Council of the City of Sierra Vista have been informed that said documents have been reviewed by competent Bond Counsel, Ice Miller 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 Series 2024 Bonds are to be issued, require the approval of the Mayor and City Council of the City of Sierra Vista of the issuance of the Series 2024 Bonds; and

WHEREAS, the Mayor and City Council of the City of Sierra Vista has had presented to it information regarding the Series 2024 Bonds and is further informed and advised with regard to the Series 2024 Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SIERRA VISTA, COCHISE COUNTY, ARIZONA, as follows:

Section 1. The policy of the City Council to support the Authority and its economic development mission in coordination with the City, and to approve the issuance of bonds of the Authority that are in the public interest in accordance with Arizona law is hereby restated and readopted.

Section 2. Pursuant to Section 35-721.B of the Act, the Mayor and City Council of the City of Sierra Vista, as the governing body of the Authority, hereby approves the Series 2024 Bonds and the proceedings under which the Series 2024 Bonds are to be issued by the Authority, including specifically the Authority's Resolution, the Indenture, the Loan Agreement, the Bond Purchase Agreement, and all other related or appropriate documents;

Section 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;

Section 4. The City Manager, the City Clerk, and the City Attorney or any appropriate officers of the Mayor and City Council of the City of Sierra Vista are hereby authorized and directed to do all such things and to execute and deliver all such documents on behalf of the City of Sierra Vista 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 Series 2024 Bonds; and

Section 5. The immediate operation of the provisions of this resolution is necessary for the preservation of the public peace, health and safety, and therefore an emergency is hereby declared to exist. This resolution shall be in full force and effect from and after its passage, adoption and approval by the Mayor and City Council of the City of Sierra Vista, Arizona.

PASSED, ADOPTED AND APPROVED by the Mayor and City Council of the City of Sierra Vista, Arizona this 25<sup>th</sup> day of July, 2024.

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Clea McCaa II, Mayor  
CITY OF SIERRA VISTA, ARIZONA

ATTEST:

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Jill Adams, City Clerk  
CITY OF SIERRA VISTA, ARIZONA

APPROVED AS TO FORM:

ICE MILLER LLP,  
Bond Counsel

By: \_\_\_\_\_  
Monika Calamita, Esq.

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Nathan Williams, City Attorney