

# CITY COUNCIL MEMO

## THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SIERRA VISTA EDUCATION FACILITY REVENUE OBLIGATIONS (THE PAIDEIA ACADEMIES PROJECT), SERIES 2022

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The Obligations . . . . .	The Authority will issue its Education Facility Revenue Obligations (The Paideia Academies Project), Series 2022 (the “ <i>Obligations</i> ”), in one or more series or subseries and in an original principal amount not to exceed \$7,000,000 and a maturity date not to exceed 40 years. The Obligations will bear interest at a fixed/variable rate.
Direct Sale . . . . .	The Obligations will be issued as unrated Obligations and sold in denominations of \$100,000 and any integral multiples of \$5,000 in excess thereof. The Obligations will be directly sold to NBH Bank.
The Borrower . . . . .	The Paideia Academies, Inc. (the “ <i>Borrower</i> ”), is an Arizona nonprofit corporation, has been determined by the Internal Revenue Service to be an organization described in Section 501(c)(3) of the Code. The Borrower has a charter school contract with the Arizona State Board of Charter Schools.
The Project . . . . .	The proceeds of the Obligations will be used for the purposes of (i) financing or refinancing the costs of acquiring, constructing, improving, operating, equipping and/or furnishing of land and school facilities and interests located at 1535 East Baseline Road in Phoenix, Arizona, (ii) paying capitalized interest on the Obligations, and (iii) paying certain issuance expenses related to the Obligations.
Prior Bonds . . . . .	The Borrower has other revenue bonds outstanding through another IDA which include a pledge of its State Payments (from the charter contract) and other revenues. These prior pledges will be shared as security for the Obligations through an Intercreditor Agreement and/or a Custody Agreement.
Documentation . . . . .	Pursuant to the Loan Agreement between the Authority and the Borrower, the Borrower has agreed to make, or direct others to make, payments to the Purchaser (on behalf of the Authority) sufficient to pay the principal of, premium, if any, and interest on the Obligations when due. The Borrower’s obligations under the Loan Agreement will be secured by one or more Deeds of Trust (on parity with the other revenue bonds), which will be recorded on the Borrower’s properties.

# SLANIA LAW, PLLC

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VIA EMAIL

August 31, 2022

Frederick W. Mueller, Mayor  
William Benning, Council Member  
Gregory Johnson, Council Member  
Angelica Landry, Council Member  
Marta Messmer, Council Member  
Mark Rodriguez, Council Member  
Carolyn Umphrey, 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 Education Facility Revenue Obligations (The Paideia Academies Project) Series 2022 - In an Amount Not to Exceed \$7,000,000

Dear Mr. Mayor and Members of the City Council:

At its meeting held on August 30, 2022, 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 Obligations (The Paideia Academies Project), Series 2022 (the "*Obligations*"), in one or more series and in an aggregate principal amount not to exceed \$7,000,000, the proceeds of which will be loaned to The Paideia Academies, Inc. (the "*Borrower*"), an Arizona nonprofit 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 education purposes as a charter school under the Charter School Act, Arizona Revised Statutes, Title 15, Article 1, Chapter 8, as amended.

As always, this issuance of the Obligations 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 September 8, 2022, for the purpose of having the Mayor and City Council approve the action of the Authority. Enclosed herewith are (i) the Resolution of the Mayor and City Council of the City of Sierra Vista approving the transaction and (ii) a City Council Memo regarding this matter.

Also attached is a copy of the Resolution adopted by the Authority at its meeting.

The proceeds of the Obligations will be loaned to the Borrower for the purposes of (i) financing or refinancing the costs of acquiring, constructing, improving, operating, equipping

and/or furnishing of land and school facilities and interests located at 1535 East Baseline Road in Phoenix, Arizona, (ii) paying capitalized interest on the Obligations, and (iii) paying certain issuance expenses related to the Obligations (collectively, the "*Project*").

The Obligations are to be issued in accordance with Title 35, Chapter 5, of the Arizona Revised Statutes, as amended (the "*Act*"). The Obligations will be issued as unrated, fully registered Obligations and will be privately placed with NBH Bank (the "*Purchaser*"). The Obligations will be issued without a rating in denominations of \$100,000 and any integral multiples of \$5,000 in excess thereof 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 investor letter.

As always, the Obligations are special limited obligations of the Authority. The Obligations are payable solely from payments made by the Borrower pursuant to an indenture and a loan agreement and secured by a deed of trust on the Facilities. Such payments are on parity with other Borrower obligations and are pledged to the trustee under the indenture, for payment to the holders of the Obligations. Neither the faith and credit, nor the taxing power of the Authority or the City of Sierra Vista or any other political subdivision thereof, are pledged to the payment of the Obligations. 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.

/s/

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 OBLIGATIONS (THE PAIDEIA ACADEMIES PROJECT), SERIES 2022 IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$7,000,000; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST, A LOAN AGREEMENT AND AN OBLIGATION PURCHASE AGREEMENT; APPROVING THE TERMS OF SUCH DOCUMENTS AND 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 OBLIGATIONS; AND AUTHORIZING OTHER ACTIONS NECESSARY IN CONNECTION WITH THE ISSUANCE OF THE OBLIGATIONS.**

**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 (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 obligations 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 obligations to any person to provide for financing and/or refinancing the costs 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 obligations; (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 the Loan Agreement, the Indenture and the Obligation Purchase Agreement, all as hereafter defined, upon the terms and conditions provided herein and therein; and**

**WHEREAS, The Paideia Academies, Inc. (the "Borrower"), an Arizona nonprofit corporation, operating one or more charter schools duly organized and validly existing under Title 15, Chapter 1, Article 8 of the Arizona Revised Statutes, as amended, previously borrowed the proceeds of \$10,280,000 aggregate principal amount of Education Facility Revenue Bonds (The Paideia Academies Project), Series 2015 (the "Series 2015 Bonds"), issued by The Industrial Development Authority of the County of Pima (the "Pima IDA") pursuant to that Indenture of Trust dated as of November 1, 2015 (the "Original Pima IDA Indenture") between the Pima IDA and BOKF, NA (the "Pima IDA Trustee"), pursuant to that Loan Agreement dated as of November 1, 2015 (the "Original Pima IDA Loan Agreement") between the Pima IDA and the Borrower to, among other things, assist the Borrower in (i) financing the costs of acquiring, constructing, improving and equipping land and charter school facilities located at 7777 South 15<sup>th</sup> Terrace in Phoenix, Arizona (the "15<sup>th</sup> Terrace Campus"), (ii) funding of any required reserve funds under**

the Original Pima IDA Indenture, and (iv) paying certain issuance expenses relating to the Series 2015 Bonds; and

WHEREAS, the Borrower previously borrowed the proceeds of \$8,350,000 aggregate principal amount of Education Facility Revenue Bonds (The Paideia Academies Project), Series 2019 (the "Series 2019 Bonds" and together with the Series 2015 Bonds, the "Pima IDA Bonds"), issued by the Pima IDA pursuant to the Original Pima IDA Indenture, as supplemented (the "Pima IDA Indenture"), pursuant to the Original Pima IDA Loan Agreement, as supplemented (the "Pima IDA Loan Agreement") to, among other things, assist the Borrower in (i) financing or refinancing the costs of acquiring, constructing, improving, operating, equipping and/or furnishing of land and school facilities and interests located at (a) 1535 East Baseline Road in Phoenix, Arizona (the "Baseline Campus"), and (b) the 15<sup>th</sup> Terrace Campus, (ii) funding any required reserves as set forth in the Indenture, (iii) paying capitalized interest on the Series 2019 Bonds, and (iv) paying certain issuance expenses related to the Series 2019 Bonds; and

WHEREAS the Borrower has requested that the Issuer issue its below-defined Series 2022 Obligations and loan the proceeds therefrom to assist in (i) financing or refinancing the costs of acquiring, constructing, improving, operating, equipping and/or furnishing of land and school facilities and interests located at the Baseline Campus (the "Series 2022 Facilities"), (ii) paying capitalized interest on the Series 2022 Obligations, and (iii) paying certain issuance expenses related to the Series 2022 Obligations (collectively, the "Series 2022 Project"); and

WHEREAS, in furtherance of the purposes of the Act, the Issuer proposes to issue one or more series or subseries of its tax-exempt and/or taxable Education Facility Revenue Obligations (The Paideia Academies Project), Series 2022 in an aggregate principal amount of not to exceed \$7,000,000 (the "Obligations"), pursuant to the Indenture of Trust and one or more supplements thereto (collectively, the "Indenture") to be dated as of the first day of the month in which the Obligations are issued, between the Issuer and BOKF, NA (the "Trustee"), the proceeds of which will be loaned to the Borrower, pursuant to the Loan Agreement and one or more supplements thereto (collectively, the "Loan Agreement") to be dated as of the first day of the month in which the Obligations are issued, between the Issuer and the Borrower to finance the costs of the Series 2022 Project; and

WHEREAS, the Obligations 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 one or more Promissory Notes to be executed by the Borrower (the "Promissory Notes") and one or more Deeds of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing, including modifications to existing Deeds of Trust (the "Deed of Trust") from the Borrower to the Trustee; and

WHEREAS, the Obligations will be secured on a parity basis with respect to certain pledged revenues of the Borrower and the Deed of Trust with the Pima IDA Bonds; and

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

- (a) the Indenture;

(b) the Loan Agreement;

(c) the Obligation Purchase Agreement (the “Obligation Purchase Agreement”), among the Issuer, the Borrower and NBH Bank (the “Purchaser”).

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 and the issuance and sale of the Obligations by the Issuer as contemplated by such documents and the effect thereof 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 Obligations herein authorized shall be issued pursuant to the laws of the State, the Act and the Code and other applicable provisions of law.

It is hereby determined that the Series 2022 Project to be financed and/or refinanced with the Obligations is a “project,” as defined in and permitted by the Act, and the financing and/or refinancing of the Series 2022 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 such date or dates as may be determined to best effectuate the provisions of this Resolution, such determination to be conclusively evidenced by the execution and delivery by an officer of the Issuer of the respective documents with such 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 the Obligations for proceeds representing the purchase price thereof from the Purchaser.

“Code” means the Internal Revenue Code of 1986, as amended, 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 Obligations.

“Loan” means the loan made to the Borrower pursuant to the Loan Agreement, the repayment obligation for which is evidenced by the Promissory Notes.

**“State” means the State of Arizona.**

**Section 3. Authorization and Terms of Obligations.** Pursuant to the Act and the terms of the Indenture, there is hereby authorized the issuance and sale of the Obligations of the Issuer in one or more series to be known as “Education Facility Revenue Obligations (The Paideia Academies Project), Series 2022” (or such other designation as may be approved by the Issuer) in an original aggregate principal amount of not to exceed \$7,000,000, for the purpose of paying costs of the Series 2022 Project. The Obligations shall be issued in the forms and on the terms set forth therein and in the Indenture. The Obligations shall be dated as of such date as set forth therein and in the Indenture.

The Obligations shall mature on such date or dates as set forth in the respective forms of the Obligations and the Indenture, provided that the final maturity of the Obligations shall be not later than forty years after the Closing Date. The Obligations shall bear interest at the rate or rates of interest per year as set forth in the respective forms of such Obligations and in the Indenture provided that such rate or rates of interest shall not exceed 12% per year. Interest on the Obligations shall be payable on each interest payment date and at such other times as set forth in the forms of the Obligations and the Indenture until the principal sum is paid or duly provided for, and shall be calculated on the basis of a 360-day year of twelve 30-day months.

The Obligations shall bear interest at fixed rates as set forth in the Obligation Purchase Agreement. The Obligations 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 such payments, revenues and receipts as shall be pledged and assigned to the Trustee as security for the payment of the Obligations as provided in the Indenture. The approval of the Issuer of the final terms of the Obligations as set forth in the Indenture shall be conclusively evidenced by execution of the Indenture by the authorized officer of the Issuer executing the Indenture.

The Obligations shall be subject to redemption prior to maturity as provided in the Indenture and in the forms of the Obligations; shall be payable, shall be executed and authenticated in such manner, shall be in such forms and denominations, shall be of such tenor and effect, shall be payable from such sources and shall have such transfer restrictions, all as provided in the Indenture.

**Section 4. Execution of the Obligations.** The forms, terms and provisions of the Obligations, in the forms contained in the Indenture are hereby approved, with only such changes therein as are not inconsistent herewith and as permitted under the Indenture. The President and the Secretary or Assistant Secretary of the Issuer are each hereby authorized to execute the Obligations and are each hereby authorized to cause them to be delivered. The signatures of the President and the Secretary or Assistant Secretary on the Obligations may be by manual or facsimile signature. No Obligation 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 Obligations is signed by the Trustee.

**Section 5. Execution of Documents.** The forms, terms and provisions of the Issuer Documents related to the Obligations, in the forms of such documents (including the exhibits

thereto) 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 such execution and delivery or approval shall constitute conclusive evidence of their approval and of this Board's approval of any such changes from the respective forms thereof presented to this meeting. Any officer of the Issuer is hereby authorized to execute and deliver the Indenture and the Loan Agreement, the other Issuer Documents, and any other documents related to the Obligations on behalf of this Board. The authorization of the issuance of the Obligations 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 such 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 the authentication and delivery of the Obligations of the Trustee to the Purchaser.

Section 7. Obligation Purchase Agreement; Sale of Obligations. The sale and delivery of the Obligations to the Purchaser on the terms set forth in the Obligation Purchase Agreement and the execution of such Obligation Purchase Agreement in substantially the form presented to this meeting by any officer of the Issuer is hereby authorized with such changes to the Obligation Purchase Agreement as such officer shall approve after consultation with Slania Law, PLLC, counsel to the Issuer, such approval to be conclusively evidenced by the execution thereof.

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 Obligations 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 Obligations.

Section 9. 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, improvement, renovation, operation, and equipping of the Series 2022 Project with proceeds of the Obligations 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 10. 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 such 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 11. Actions of Officers, Staff, Directors and Agents.** All actions of the officers, staff, 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 Obligations 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, directors and agents of the Issuer are hereby authorized and directed to do all such acts and to execute, acknowledge and deliver all such 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 herein.

**Section 12. Role of Trustee.** The Trustee, initially BOKF, NA, shall serve as trustee, bond registrar and paying agent under the Indenture and is hereby appointed as such.

**Section 13. Tax Covenants.** The Issuer covenants that it will restrict the use of the proceeds of any Obligations the interest on which is excludable from gross income for federal income tax purposes (the "Tax-Exempt Obligations") 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 Obligations, so that the Tax-Exempt Obligations 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 Obligations, is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee, consultant or agent of the Issuer to give (i) an appropriate certificate of the Issuer, for inclusion in the transcript of proceedings for the Obligations, setting forth the reasonable expectations of the Issuer regarding the amount and use of the proceeds of the Tax-Exempt Obligations and the facts, estimates and circumstances on which those expectations are based, all as of the date of delivery of and payment for the Obligations, and (ii) the statement setting forth the information, with respect to the Tax-Exempt Obligations, 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 Obligations 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 Obligations, (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 such 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 such 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 14. Advice of Counsel.** In the execution and delivery of any documents or instruments authorized hereby, the President, the Vice President, the Secretary 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 such additional documents

and instruments as may be reasonably required to effect the issuance, sale and delivery of the Obligations.

Section 15. Conditions. In addition to the other conditions set forth herein and in the Issuer Documents, the issuance, sale and delivery of the Obligations is subject to satisfaction of the following conditions:

(i) each purchaser of the Obligations shall be either (i) “qualified institutional buyers” within the meaning of Rule 144A of the rules adopted pursuant to the Securities Act of 1933, as amended (the “Securities Act”), or (ii) “accredited investors” within the meaning of Rule 501 of Regulation D promulgated by the Securities and Exchange Commission pursuant to the Securities Act and 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;

(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 16. 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 such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 17. City Approval. The approval of the Sierra Vista City Council of the issuance of the Obligations 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 City Council.

Section 18. 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 19. 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 such conflict, hereby repealed, and this Resolution shall be in immediate effect from and after its adoption.

Section 20. 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 21. 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 30th day of August, 2022.**

**THE INDUSTRIAL DEVELOPMENT AUTHORITY OF  
THE CITY OF SIERRA VISTA**

**By: \_\_\_\_\_**  
**Title: \_\_\_\_\_**

**RESOLUTION 2022- 064**

**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 OBLIGATIONS (THE PAIDEIA ACADEMIES PROJECT), SERIES 2022 IN AN AMOUNT NOT TO EXCEED \$7,000,000; AUTHORIZING AND DIRECTING THE CITY MANAGER, CITY CLERK, CITY ATTORNEY OR ANY DULY AUTHORIZED OFFICERS AND AGENTS OF THE CITY OF SIERRA VISTA 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 Obligations (The Paideia Academies Project), Series 2022, in one or more series or subseries (the "*Obligations*"), the proceeds of which are to be loaned to The Paideia Academies, Inc. (the "*Borrower*"), a duly organized and validly existing Arizona nonprofit corporation and charter school under Arizona Revised Statutes Title 15, Chapter 1, Article 8, to assist the Borrower for the purposes of: (i) financing or refinancing the costs of acquiring, constructing, improving, operating, equipping and/or furnishing of land and school facilities and interests located at 1535 East Baseline Road in Phoenix, Arizona, (ii) paying capitalized interest on the Obligations, and (iii) paying certain issuance expenses related to the Obligations; and

WHEREAS, on August 30, 2022, the Authority resolved to issue the Obligations in one or more series or subseries and in an aggregate amount not to exceed \$7,000,000 (the "*Authority's Resolution*"), such issuance being conditioned upon, among other things, the granting of approval to the issuance of the Obligations 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 Obligations and the execution and delivery of (a) an Indenture of Trust (the "*Indenture*") between the Authority and BOKF, NA, as trustee, (b) a Loan Agreement (the "*Loan Agreement*") among the Authority and the Borrower, pursuant to which the Authority will loan the proceeds of the Obligations to the Borrower and (c) such other documents as required for the issuance of the Obligations; and

WHEREAS, the terms, maturities, provisions for redemption, security and sources of payment for the Obligations are set forth in the Indenture, the Loan Agreement and the form of Obligations 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 has been informed that said documents have been reviewed by competent Bond Counsel, Kutak Rock LLP, and that Counsel has determined that said documents adequately meet the requirements of the Act and the Internal Revenue Code of 1986, as amended; and

WHEREAS, in accordance with Section 35-721.B of the Act, the proceedings of the Authority under which the Obligations are to be issued require the approval of the Mayor and City Council of the City of Sierra Vista of the issuance of the Obligations.

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, most recently affirmed by Resolution 4582, be, and hereby is, reaffirmed.

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 and the applicable elected representative of a governmental unit having jurisdiction over the facilities to be financed and/or refinanced with the proceeds of the Obligations, hereby approves the Obligations and the proceedings under which the Obligations 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.

Section 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.

Section 4. The City Manager, the City Clerk, and the City Attorney or any appropriate officers 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 Obligations.

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 immediately 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 8<sup>th</sup> day of September, 2022.

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Frederick W. Mueller, Mayor  
CITY OF SIERRA VISTA, ARIZONA

ATTEST:

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Jill Adams, City Clerk  
CITY OF SIERRA VISTA, ARIZONA

APPROVED AS TO FORM:

KUTAK ROCK LLP,  
Bond Counsel

By: \_\_\_\_\_

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Nathan Williams, City Attorney

**THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SIERRA VISTA  
EDUCATION FACILITY REVENUE OBLIGATIONS  
(THE PAIDEIA ACADEMIES PROJECT), SERIES 2022**

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**CERTIFICATE OF CLERK OF THE CITY COUNCIL OF  
THE CITY OF SIERRA VISTA, ARIZONA**

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I, Jill Adams, being the duly appointed Clerk of the City Council of the City of Sierra Vista, Arizona (the "City Council"), hereby certify as follows:

1. Attached hereto is a true and complete copy of the Resolution duly adopted by the City Council at a lawful meeting duly called and held on September 8, 2022, at which meeting a quorum was present and acting throughout, which remains in full force and effect as of the date hereof.

2. On the date hereof, with two vacancies, the Directors of The Industrial Development Authority of the City of Sierra Vista (the "*Authority*"), are as follows, each of whom has been duly appointed by the City Council, and holds the office designated below his or her name:

<u>Member</u>	<u>From</u>	<u>Through</u>
Demetry Simonton President	August 2, 2019	December 31, 2022
Adrienne Weiss	February 13, 2020	December 31, 2026
Brandy Kea-Robinson	February 13, 2020	December 31, 2026
Lawrence Goodhue	February 13, 2020	December 31, 2026
Johanna Scott	February 13, 2020	December 31, 2026

3. The City Council has taken no action to modify or revoke a Resolution granting application for incorporation of the Authority, adopted March 26, 1981, which authorized the formation of the Authority or the Resolution approving the issuance of the Obligations of the Authority adopted on August 30, 2022, and said Resolutions are in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Sierra Vista, Arizona, this \_\_\_\_ day of September, 2022.

CITY COUNCIL OF THE CITY OF SIERRA VISTA,  
ARIZONA

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Jill Adams, Clerk