

RUSSO, RUSSO & SLANIA, P.C.

ATTORNEYS AT LAW

6700 NORTH ORACLE ROAD

SUITE 100

TUCSON, ARIZONA 85704

(520) 529-1515

1-800-655-1336

FAX (520) 529-9040

VIA E-MAIL & US MAIL

September 4, 2018

STEVEN RUSSO
MICHAEL A. SLANIA
PATRICK E. BROOM

RUSSELL RUSSO
OF COUNSEL
JOSEPH D. CHIMIENTI
ADAM J. PELZ

Mr. Stanley Lehman
6342 North Calle Campeche
Tucson, Arizona 85750-1278

Mr. Kenneth M. Silverman
INSURANCE HOUSE
2725 East Broadway Boulevard
Tucson, Arizona 85716

Mr. Frank Y. Valenzuela
5817 East Baker Street
Tucson, Arizona 85711

Ms. Diane Quihuis
WELLS FARGO BANK
150 North Stone, 2nd Floor
Tucson, Arizona 85701

Mr. John H. Payne
STERLING INVESTMENT MANAGEMENT, INC.
6262 North Swan Road, Suite 210
Tucson, Arizona 85718

Re: The Industrial Development Authority of the County of Pima (the "*Pima IDA*") -
Regular Meeting of September 10, 2018

Dear Pima IDA Board Members:

A regular meeting of the Pima IDA is scheduled for 3:00 p.m. on Monday, September 10, 2018, at the **NEW ROOM** location of the Pima County Board of Supervisor's Conference Room, First Floor, Pima County Administration Building, 130 West Congress Street, Tucson, Arizona. The Notice, Agenda and draft Minutes of the Regular Meeting of August 13, 2018 are enclosed. Please let me know if anyone cannot attend this meeting.

The first item under Old Business at this meeting is a status update relating to the 2012 Joint Revolving Taxable Single-Family Mortgage Loan Program (also known as the Pima Tucson Homebuyer's Solution Program or "*PTHS*"), including the Tucson Pathway to Purchase Program ("*Tucson P2P*"), of the Pima IDA and The Industrial Development Authority of the City of Tucson, Arizona (collectively, the "*IDAs*"). As you may recall, PTHS was created in 2012 to assist homebuyers with down payment or closing assistance. The addition of the Tucson P2P Program was the result of the receipt by the Arizona Department of Housing of additional monies for down payment to be used in certain hardest hit areas of the State. The September 2018 Monthly Update for the PTHS program from George K. Baum & Company will be forwarded when received. No action, other than discussion, is required.

The second item under Old Business is the consideration of an amending resolution to the approved resolution, for such bonds changing the borrower name and making certain changes to the bond documents. The Telesis Bonds were previously approved, but the borrower on the Bonds has changed to another 501 (c)(3) entity which will lease the school to the Telesis Center School. The Bonds will be issued as taxable Bonds, pending public hearings on the Bonds. Once approved, a bond counsel opinion will be issued, and the Bonds will change to tax-exempt Bonds. A draft of the resolution will be forwarded when received.

The third item under Old Business at this meeting is the ratification of a membership for the Pima IDA in Sun Corridor, Inc. as part of its Chairman's Circle, for the purpose of assisting economic development in Pima County and its network of economic development partners. The cost of membership (which includes a seat for an IDA representative on the Board of Directors of Sun Corridor) is not to exceed \$50,000 annually. The President had directed this membership after meetings regarding furthering economic development in Pima County. Ms. Quihuis has agreed to serve as the IDA's representative on the Sun Corridor Chairman's Circle Board. A motion is appropriate to ratify this membership.

The first item under New Business is a status report on economic activities from Pima County's Economic Development Office. Mr. Cavanaugh will be presenting information to the Pima IDA Board. No action is required.

The second item under New Business is the consideration of a preliminary resolution regarding the issuance of Revenue Bonds for Rio Mercado Apartments. This application is enclosed for your review. Pima IDA Board members will recall that this nonprofit, Southwest Nonprofit Housing Corporation (who would be the sole member of the LLC), was previously involved with the completed Rio Viejo bond issue and just had two other affiliated applications submitted and preliminary resolutions approved. This application involves financing a multifamily housing complex located at 847 and 855 E. Drexel Road in Tucson, Arizona. This is expected to be a tax credit financing, so the preliminary approval is being requested at this time. As the terms for the bond issue would be solidified, a bond resolution would be brought before the Pima IDA at that time. The draft preliminary resolution is enclosed.

The third item under New Business is the consideration of a resolution authorizing and approving a loan to Community Investment Corporation ("CIC") in an amount not to exceed \$1,000,000 for further charter school loan operations. The unsecured loan would have a maturity of five (5) years and bear an interest rate of five percent (5%) per annum. If acceptable to the Board, a motion approving the resolution (which is enclosed) would be appropriate.

Lastly, the Ina Overlook project was tabled at the last meeting. The application and resolution have not been received and so this was not yet added to the agenda for this meeting.

Should you have any questions regarding the above, please do not hesitate to contact me.

Sincerely,

RUSSO, RUSSO & SLANIA, P.C.



Michael A. Slania

MAS/at
Enclosures

Please note that these documents were also e-mailed to your Pima IDA e-mail address

**NOTICE OF REGULAR MEETING OF
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF PIMA**

Pursuant to A.R.S. §38-431.02, notice is hereby given to the general public that The Industrial Development Authority of the County of Pima will hold a Regular Meeting open to the public on the 10th day of September 2018, at 3:00 p.m. The meeting will be held in the Pima County Board of Supervisors Conference Room, First Floor, Pima County Administration Building, 130 West Congress Street, Tucson, Arizona.

Members of The Industrial Development Authority of the County of Pima will attend either in person or by telephone, video or internet conferencing.

Information concerning The Industrial Development Authority's Agenda for the meeting may be obtained by contacting Michael A. Slania, Attorney for such Authority, at (520) 529-1515.

DATED this 4th day of September, 2018.

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF PIMA

By: _____  _____
John H. Payne, President

**AGENDA
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF PIMA
REGULAR MEETING
SEPTEMBER 10, 2018**

Members of The Industrial Development Authority of the County of Pima will attend either in person or by telephone, video or internet conferencing

1. ROLL CALL
2. APPROVAL OF MINUTES FROM THE REGULAR MEETING OF AUGUST 13, 2018
3. OLD BUSINESS
 - A. **JOINT REVOLVING TAXABLE SINGLE FAMILY MORTGAGE LOAN PROGRAM OF 2012 (PIMA TUCSON HOMEBUYER'S SOLUTION)** – Status Update.
 - B. **EDUCATION FACILITY REFUNDING REVENUE BONDS (TELESIS PREPARATORY ACADEMY REFUNDING PROJECT) SERIES 2017** – Consideration of an amending resolution to the approved resolution for such bonds, changing the borrower and making certain amendments to the bond documents.
 - C. **MEMBERSHIP** – Ratification of the membership for the Authority in Sun Corridor, Inc. as part of its Chairman's Circle, at a cost not to exceed \$50,000 annually to promote economic development opportunities in Pima County and network with economic development providers.
4. NEW BUSINESS
 - A. **ECONOMIC DEVELOPMENT, PIMA COUNTY ADMINISTRATOR'S OFFICE** – Status report on Economic Development from Patrick Cavanaugh, Deputy Director.
 - B. **REVENUE BONDS (RIO MERCADO PROJECT)** - Consideration for preliminary approval of a resolution regarding the issuance of such Revenue Bonds in an aggregate principal amount not to exceed \$8,000,000, in one or more series, the proceeds of which are to be loaned to Rio Mercado Partners, LLC (or its assignee) for the purpose of (i) financing or refinancing the acquisition, construction, improvement, renovation or equipping of residential real property consisting of a multifamily housing complex to be located at 847 and 855 E. Drexel Road, in Tucson, Arizona (ii) funding any required reserve funds and capitalized interest, and (iii) paying certain issuance expenses.
 - C. **NON-PROFIT LOAN** – Consideration of a resolution authorizing and approving a loan to Community Investment Corporation in an amount not to exceed \$1,000,000 for the purposes of expanding its charter school lending program.

5. CALL TO THE PUBLIC: This is the time for the public to comment. Members of the Authority may not discuss items that are not specifically identified on the Agenda. Therefore, pursuant to A.R.S. §38-431.01(H), action taken as a result of public comment will be limited to directing counsel to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date.
6. ADJOURNMENT

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Chief Administrative Assistant at (520) 724-8661 for these services. Requests should be made as early as possible to allow time to arrange the accommodation.

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA
AUGUST 13, 2018**

A regular meeting of the Board of Directors of The Industrial Development Authority of the County of Pima was held on August 13, 2018, at 3:00 p.m., at the Pima County Administration Building, Tenth Floor, 130 West Congress Street, Tucson, Arizona. The President called the meeting to order and declared the same open to the public and announced that the meeting had been duly called according to law, and that the notice of the time, place and purpose of the meeting had been given in accordance with the Bylaws of the Authority and provisions of the law. The President ordered that a copy of the Notice of the meeting be attached to the Minutes of this meeting and be made a part of the proceedings.

The President announced the roll call. The following Directors were present at the meeting, constituting a quorum:

John H. Payne
Stanley Lehman
Frank Y. Valenzuela

Diane Quihuis was excused. Kenneth M. Silverman joined the meeting late (as noted herein). At the request and pleasure of the Board, Steven Russo, Michael A. Slania, and Joseph D. Chimienti, counsel for the Authority, were also present.

APPROVAL OF MINUTES

The President stated that the first item on the Agenda after roll call was the approval of the Special Meeting Minutes of June 8, 2018. Board Member Valenzuela made a motion that the Minutes be approved as submitted and waived the reading. Board Member Lehman seconded.

The President called for a vote:

AYES

NAYS

John H. Payne
Stanley Lehman
Frank Y. Valenzuela

Whereby, the President declared that the Minutes were approved.

OLD BUSINESS

The President announced that the first item of old business on the Agenda was the Joint Revolving Taxable Single Family Mortgage Loan Program of 2012 (Pima Tucson Homebuyer's Solution Program) status update and resolution regarding amendments to P2P Program documents, and ratification of President's actions, regarding certain Tucson P2P documents. Mr. Slania presented the written update from George K. Baum & Company and gave a further status update of the Program. Mr. Slania presented a brief summary of the Tucson P2P Program, and the intent of the resolution before the Board, including ratification of the President's actions regarding certain Tucson P2P Program documents. General discussion ensued. Board Member Lehman made the motion to approve the Resolution, which was seconded by Board Member Valenzuela.

The President called for a vote:

AYES

NAYS

John H. Payne

Stanley Lehman

Frank Y. Valenzuela

Whereby, the President declared that the motion was carried, and said Resolution was passed and adopted. The Secretary was directed to make the Resolution a part of the Minutes and to attach a copy of the Resolution to the Minutes.

Board Member Kenneth M. Silverman arrived at 3:07 p.m. to attend the meeting.

The President announced that the second item under Old Business on the Agenda was the Charter School Revenue Bonds (Cambridge Academy – East, Inc. Project), Series 2010 and the consideration for an amending resolution regarding such Bonds to modify the optional redemption provisions and certain definitions in the Indenture and modify and provide for additional covenants in the Loan Agreement, all with required bondholder consent. Mr. Slania presented a brief summary of the prior bond issue, and the intent of the amending resolution to the Board, including

the requirement of bondholder consent. General discussion ensued. Board Member Valenzuela made the motion to approve the Resolution, which was seconded by Board Member Lehman.

The President called for a vote:

AYES

NAYS

John H. Payne

Stanley Lehman

Frank Y. Valenzuela

Kenneth M. Silverman

Whereby, the President declared that the motion was carried, and said Resolution was passed and adopted. The Secretary was directed to make the Resolution a part of the Minutes and to attach a copy of the Resolution to the Minutes.

NEW BUSINESS

The President announced that the first item under New Business on the Agenda was the Revenue Bonds (Ina Overlook Project) and the consideration for preliminary approval of a resolution regarding the issuance of such Revenue Bonds in an aggregate principal amount not to exceed \$19,000,000, in one or more series, the proceeds of which are to be loaned to Ina Overlook Partners, LLC (or its assignee) for the purpose of (i) financing or refinancing the acquisition, construction, improvement or equipping of certain real property in Tucson, Arizona, (ii) funding any required reserve funds and capitalized interest, and (iii) paying certain issuance expenses. Mr. Slania indicated the borrower's request to table this item until the next Authority meeting. Board Member Valenzuela made the motion to table this item to next meeting, which was seconded by Board Member Lehman.

The President called for a vote:

AYES

NAYS

John H. Payne

Stanley Lehman

Frank Y. Valenzuela

Kenneth M. Silverman

Whereby, the President declared that the motion was carried, and said item was tabled for next meeting.

The President announced that the second item under New Business on the Agenda was the Revenue Bonds (Rio Madera Project) and the consideration for preliminary approval of a resolution regarding the issuance of such Revenue Bonds in an aggregate principal amount not to exceed \$3,000,000, in one or more series, the proceeds of which are to be loaned to Rio Madera Partners, LLC (or its assignee) for the purpose of (i) financing or refinancing the acquisition, construction, improvement, renovation or equipping of residential real property consisting of a multifamily housing complex to be located at 5489 S. Park Avenue, in Tucson, Arizona, (ii) funding any required reserve funds and capitalized interest, and (iii) paying certain issuance expenses. At the request of the Board, the third item under New Business on the Agenda being the Revenue Bonds (Rio Del Sol Project) and the consideration for preliminary approval of a resolution regarding the issuance of such Revenue Bonds in an aggregate principal amount not to exceed \$16,000,000 was also considered at the same time, given the common LLC Manager for both projects, Southwest Housing Nonprofit Corporation. Mr. Slania discussed the related Rio Viejo Project by the same entity and then presented a brief summary of the proposed projects and their respective locations and units to the Board. Mr. Slania also introduced Mr. Greg Moore of Southwest Housing Nonprofit Corporation, who presented on both projects and the demand therefore. Mr. Moore also requested on reduction in the initial application fee of the Authority for these projects, in line with other nonprofit entities. General discussion ensued. Board Member Lehman made the motion to approve both Resolutions and the nonprofit application fee break on both projects, which was seconded by Board Member Valenzuela.

The President called for a vote:

AYES

John H. Payne

Stanley Lehman

Frank Y. Valenzuela

Kenneth M. Silverman

NAYS

Whereby, the President declared that the motion was carried, and said Resolution was passed and adopted. The Secretary was directed to make the Resolution a part of the Minutes and to attach a copy of the Resolution to the Minutes.

The President announced that the fourth item under New Business on the Agenda was the approval for legal services to be rendered on behalf of the Authority by Russo, Russo & Slania, P.C. Mr. Russo presented a brief summary to the Board. General discussion ensued. Board Member Silverman made the motion to approve the legal services, which was seconded by Board Member Lehman.

The President called for a vote:

AYES

NAYS

John H. Payne

Stanley Lehman

Frank Y. Valenzuela

Kenneth M. Silverman

Whereby, the President declared that the motion was carried.

The President announced that the fifth item under New Business on the Agenda was the approval of annual administrative billing. Mr. Russo and Mr. Slania presented a brief summary to the Board. General discussion ensued. Board Member Valenzuela made the motion to approve the annual administrative billing, which was seconded by Board Member Lehman.

The President called for a vote:

AYES

NAYS

John H. Payne

Stanley Lehman

Frank Y. Valenzuela

Kenneth M. Silverman

Whereby, the President declared that the motion was carried.

The President announced that the sixth item under New Business on the Agenda was the approval of an annual budget. Mr. Russo presented a brief summary to the Board. General

discussion ensued. Board Member Lehman made the motion to approve the annual budget, which was seconded by Board Member Valenzuela.

The President called for a vote:

AYES

NAYS

John H. Payne

Stanley Lehman

Frank Y. Valenzuela

Kenneth M. Silverman

Whereby, the President declared that the motion was carried.

The President announced that the last item under New Business on the Agenda was the consideration of the membership for the Authority in Sun Corridor, Inc. as part of its Chairman's Circle, at a cost not to exceed \$50,000 annually to promote economic development opportunities in Pima County and network with economic development providers. Mr. Russo presented a brief summary to the Board. Mr. Cavanaugh then added further information. General discussion ensued. Board Member Valenzuela made the motion to table this item, which was seconded by Board Member Lehman.

The President called for a vote:

AYES

NAYS

John H. Payne

Stanley Lehman

Frank Y. Valenzuela

Kenneth M. Silverman

Whereby, the President declared that the motion was carried, and said item was tabled.

CALL TO THE PUBLIC

The President referenced Patrick Cavanaugh, Deputy Director, Economic Development with Pima County and Gregory Moore, Managing Member for Rio Madera Partners, LLC and Rio Del Sol Partners, LLC, both of who had previously addressed the Board on other matters. The

President announced that there was no other public in attendance or that wished to speak at this time.

ADJOURNMENT

The President then asked if there was any further business to come before the meeting, and there being none, upon motion of Board Member Silverman and a second by Board Member Lehman, and all in favor, the meeting was adjourned.

APPROVED this ____ day of _____ 2018.

/s/
Frank Y. Valenzuela, Secretary

/s/
John H. Payne, President

**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF PIMA**

**APPLICATION RELATING TO THE ISSUANCE
OF BONDS BY THE AUTHORITY**

APPLICATION

The Application should contain sufficient amount of the following information to allow the Authority to review the Applicant and the Project. The Application must be accompanied by a signature of an authorized officer of the Applicant.

Up to and prior to the issuance of bonds, if the Authority considers the application to be incomplete or for any reason, the Authority reserves the right to request from the Applicant any additional information the Authority deems necessary for approval of the Application and/or issuance of bonds. Submission of the Application or receipt by counsel to the Authority or members of the Authority Board does not automatically ensure consideration by the Authority or granting of approval, preliminary or final. Submission will be deemed to be acceptance of the terms and conditions set forth herein.

**SECTION 1
IDENTITY OF PARTICIPANTS**

- Rio Mercado Partners, LLC, an Arizona Limited
- 1.1 Applicant's Legal Name: Liability Company
Business Address: 2455 E. Speedway, #101
Principal Contact(s): Gregory Moore
Telephone Number(s) of Contact(s): (520) 326-4858
Facsimile Number(s) of Contact(s): (520) 795-0967
E-mail Address(es): greg@swmph.org
Web Site: N/A
- 1.2 Applicant's Counsel: Ian Quinn
Business Address: 2415 E. Camelback Rd., #700, Phoenix, AZ 85016
Principal Contact(s): Ian Quinn
Telephone Number(s) of Contact(s): (602) 535-0002
Facsimile Number(s) of Contact(s): N/A
E-mail Address(es): iquinn@quinnlawnet.com
Web Site: _____
- 1.3 Placement Agent or Underwriter: None - Direct Placement
Business Address: _____
Principal Contact(s): _____
Telephone Number(s) of Contact(s): _____
Facsimile Number(s) of Contact(s): _____
E-mail Address(es): _____
Web Site: _____

- 1.4 Placement Agent's or Underwriter's Counsel: Unknown
Business Address: _____
Principal Contact(s): _____
Telephone Number(s) of Contact(s): _____
Facsimile Number(s) of Contact(s): _____
E-mail Address(es): _____
Web Site: _____
- 1.5 Applicant's Independent Certified Public Accountant:
Keegan Linscott & Kenon
Business Address: 3443 N. Campbell Ave. #115, Tucson, AZ 85719
Principal Contact(s): Carla Keegan
Telephone Number(s) of Contact(s): (520) 884-0176
Facsimile Number(s) of Contact(s): (520) 884-8767
E-mail Address(es): ckeegan@klkcpa.com
Web Site: N/A
- 1.6 Suggested Bond Counsel: Ballard Spahr
Business Address: 1 E. Washington St. #2300, Phoenix, AZ 85004
Principal Contact(s): Michelle Bax
Telephone Number(s) of Contact(s): (602) 798-5483
Facsimile Number(s) of Contact(s): (602) 798-5595
E-mail Address(es): baxm@ballardspahr.com
Web Site: N/A
- 1.7 Suggested Trustee: US Bank
Business Address: 101 N. First Ave., #1600, Phoenix, AZ 85003
Principal Contact(s): Keith Henselen
Telephone Number(s) of Contact(s): (602) 257-5431
Facsimile Number(s) of Contact(s): (602) 257-5433
E-mail Address(es): keith.henselen@usbank.com
Web Site: N/A
- 1.8 Suggested Other Professionals on Financing Team:
Miles & Stockbridge
Business Address: 1500 K Street, #800, Washington DC 20005
Principal Contact(s): Jerry Breed
Telephone Number(s) of Contact(s): (202) 470-5823
Facsimile Number(s) of Contact(s): (202) 737-9600
E-mail Address(es): jbreed@milesstockbridge.com
Web Site: N/A

SECTION 2 FINANCING SUMMARY

2.1 Provide a short, plain statement of the type of business or businesses engaged in by the Applicant and a description of the Applicant's corporate structure and management. If the Applicant is a subsidiary corporation or has subsidiaries, include a short, concise description of the business of all affiliated companies. Development and construction of Low Income Housing Tax Credit Multifamily Housing (work force housing).

- A 45 unit project with:
 27 Two bedroom, 2.5 baths
 8 One bedroom, One bath
 10 Three bedroom, Two baths
 45 Units
- 2.2 Provide a short, plain description of the Project.
- 2.3 List the principal amount of financing requested.
 \$8,000,000
- 2.4 Brief statement of the estimated sources and uses for the Project, and whether any other funding source will be used. A combination of Tax Credit Equity and Construction Lender "Bridge" financing.
- 2.5 Credit Enhancement, if any. None
- 2.6 Will any of the bond proceeds be used to repay or refinance an existing mortgage or outstanding loan? If yes, indicate particulars.
- 2.7 Sale of Bonds:
- 2.7.1 Public Offering or Private Placement Private
- 2.7.2 Underwriter/Placement Agent/Purchaser Red Stone Tax Exempt Funding
- 2.7.3 Restrictions on Investors: ☒ Yes ☐ No
- 2.8 Proposed Schedule from Applicant:
- 2.8.1 Preliminary approval by Authority; August 2018
- 2.8.2 TEFRA Hearing;
- 2.8.3 Finalization of any preliminary Official Statement or other offering document;
 October 2018
- 2.8.4 Applicant approval of Bonds; October 2018
- 2.8.5 Authority Final Approval of Bonds; December 2018
- 2.8.6 Pima County Board of Supervisors' Approval of Bonds; January 2019
- 2.8.7 Pricing; At time of sale.
- 2.8.8 Expected construction and completion of the Project (if applicable); and 2020
- 2.8.9 Issuance of Bonds. January 2019

**SECTION 3
DETAILED INFORMATION
REGARDING THE APPLICANT**

(NOTE: If the Bonds are to be Guaranteed/or a parent entity of the Applicant provides credit or tax status, the information required by this Section should also be supplied by that party.)

3.1 Applicant's form of business organization (check one):

<input type="checkbox"/> Corporation	<input type="checkbox"/> General Partnership
<input type="checkbox"/> Limited Partnership	<input checked="" type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Joint Venture (fill out for all participants)	<input type="checkbox"/> Sole Proprietorship.

Date of formation: August 29, 2018

State where incorporated or organized: Arizona

3.2 Provide a list of all executive or managing officers and directors of the Applicant. If any such officer or director has been convicted – or is currently under indictment or complaint alleging commission – of a felony or of a misdemeanor involving moral turpitude in any court of any state or of the courts of the United States or Canada or is now or has ever been charged or convicted of any civil, administrative or criminal offense regarding or growing out of the conduct of the business of the Applicant or any similar concern or out of the issuance, sale or solicitation or sale of any type of security, the application must so state. Managing Office, Gregory Moore

3.3 A statement describing any pending litigation either by or against the company or its subsidiaries (other than ordinary litigation concerning matters which would generally have little bearing on the earnings of the Applicant). If any litigation of any nature is pending or threatened concerning either the Project site, the Project or the Bonds sought to be issued, such litigation must be noted.

3.4 The application shall also include the following attachments:

3.4.1 Applicant's financial statement (audited) for the previous three years or for the full life of the Applicant, if the Applicant has not been in business for three full years. Just formed. No financial information available.

3.4.2 Applicant's most recent quarterly statement. N/A

3.4.3 Applicant's annual reports for the past three years. N/A

3.5 If the Applicant is required to file periodic reports or disclosure statements under the Securities Exchange Act of 1934 or any similar law in any state or any other similar law of the United States, attach a copy of the most recent reports. N/A

**SECTION 4
PROJECT INFORMATION**

4.1 Project name. Rio Mercado Apartments

4.2 Location of Project, including address and legal description. 847 and 855 E. Drexel Rd., Tucson, AZ 85706

- 4.3 Provide a detailed description of the Project.
- 4.3.1 Location and present zoning and a statement detailing any zoning changes which may be necessary before construction may begin, including a timetable for such approval; R-2
- 4.3.2 Intended use; Multifamily apartments
- 4.3.3 Present and projected number of employees of the Applicant at the Project and in Pima County as a whole; 50 short term, 2 long term
- 4.3.4 Present ownership of the Project site and the Applicant's interest therein—if the Applicant is purchasing the property, a statement of the terms of the purchase; under contract to close October 15, 2018. \$265,000 cash at closing.
- 4.3.5 A statement of the environmental impact to be caused by the Project, and if the statement shows the Project will adversely affect the surrounding environment, that fact shall be fully explained and justified; and None
- 4.3.6 Whether any other review of the Project or its financing are being conducted by any public agency or authority and whether the applicant has applied to any other entity (either public or private) for the financing of the Project and financing has been denied. Soon to be submitted to the Arizona Department of Housing.
- 4.4 Set forth how the public purposes will be met by the Project. Rent restricted to 60% of Area Median Income annual income cap.
- 4.5 If the Applicant is not now the owner of the Project site, does the Applicant have an option or contract to purchase the site and any buildings on the site? If yes, indicate the date of option agreement or contract, purchase price, the expiration date of the option, and/or the closing date. Contract to purchase vacant land. Closing is set for October 15, 2018.
- 4.6 Is there a blood or legal relationship or common control or ownership between or among (A) the Applicant and the seller, lessor, or lessee of the Project site; (B) the Authority's officers, directors or counsel, and anyone listed in response to Sections 3.2, 3.3, or 3.4; (C) the County or any member of its Board of Supervisors or other elected or appointed official of the County of Pima and the seller, lessor, or lessee of the Project site; (D) the County or any member of its Board of Supervisors or other elected or appointed official of the County of Pima and the Applicant or anyone listed in response to Sections 3.2, 3.3, or 3.4; and (E) the Authority's officers, directors, counsel and the Applicant and/or the seller, lessor, or lessee of the Project site? If yes, describe in full detail. No
- 4.7 If previously prepared, provide an appraisal or environmental assessment Being prepared
- 4.8 If the Project to be financed through the issuance of the Authority's Bonds has additional sources of funding, explain the status of each other source, including expected closing date. Sale of Low Income Housing Tax Credits.

SECTION 5 ADDITIONAL INFORMATION REGARDING THE PROPOSED BONDS

- 5.1 List the following information for all tax-exempt financings previously arranged by or for the benefit of the Applicant.

Issuer and Date of Issue	Original Principal Amount	Current Principal Amount Outstanding	Status of Project
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5.2 Has the Applicant or any affiliate or related person thereof previously been denied financing, whether conventional, tax-exempt or otherwise, for the proposed or a similar Project? If yes, please describe. No

5.3 Has the Applicant or any affiliate or related person thereof ever defaulted on any debt obligation including, without limitation, any public or private bond, mortgage, note, or debenture? If yes, please describe. No

SECTION 6 BOND PROCEEDS TO BE USED BY SECTION 501(c)(3) ORGANIZATIONS

(NOTE: Questions 6.1 through 6.3 are to be completed only if the Applicant is an organization described in Section 501(c)(3) of the Code. If an Applicant is not such an entity, then the Applicant should so indicate.)

6.1 Attach a copy of the Applicant's Determination Letter from the Internal Revenue Service to the effect that the Applicant is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Provide information as to the status as a private foundation.

6.2 Will the Applicant conduct at the Project any "unrelated trade or business," as that term is described in Section 513 of the Internal Revenue Code of 1986, as amended? If yes, indicate particulars.

6.3 Briefly describe the Applicant's history of operations, including a discussion of management's experience with the ownership and/or operation of facilities similar to the proposed Project, as well as a discussion of any limitations management may have which could adversely impact the operation of the proposed Project.

Southwest Nonprofit Housing Corporation is a 501(c)(4), having received its Determination Letter on April 27, 1990.

APPLICANT AFFIDAVIT

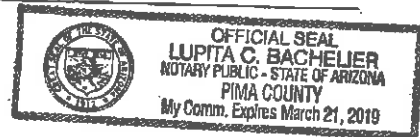
The undersigned, general partner, managing partner, officer, or director of Rio Mercado Partners, LLC, an Arizona Limited Liability Company (the "Applicant"), states that all facts and statements contained in this Application and the attachments are true and correct to the best of such general partner's, managing partner's, officer's or director's knowledge and belief, that he or she knows of no material adverse fact relating to the Applicant, that this Application is made in accordance with the Procedural Pamphlet of the Authority, and that the Applicant consents to all investigations deemed reasonably necessary by the Authority as set forth herein.

Rio Mercado Partners, LLC,
an Arizona Limited Liability
(NAME OF APPLICANT) Company
Southwest Nonprofit Housing Corporation,
By: Gregory Moore, its
Name: Gregory Moore
Title: Managing Member

STATE OF Arizona)
COUNTY OF Pima) ss.

The foregoing Affidavit was acknowledged before me this 29th day of August, 2018, before me by Gregory Moore, as President of Southwest Nonprofit Housing Corporation on behalf of such Rio Mercado Partners, LLC

Lupita C Bachelier
Notary Public



**A RESOLUTION AGREEING TO GRANT PRELIMINARY
APPROVAL TO THE ISSUANCE AND SALE OF REVENUE
BONDS OF THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF PIMA FOR AND ON
BEHALF OF RIO MERCADO PARTNERS, LLC**

WHEREAS, The Industrial Development Authority of the County of Pima (the "*Authority*") is a nonprofit corporation designated as a political subdivision of the State of Arizona, which is authorized and empowered by the provisions of Title 35, Chapter 5, of the Arizona Revised Statutes, as amended (the "*Act*") to issue revenue bonds for the purpose of financing the cost of acquiring, improving and/or equipping one or more "*projects*" (as defined in the Act); and

WHEREAS, the Authority proposes to issue revenue bonds in one or more tax-exempt and/or taxable series (the "*Bonds*"), pursuant to the provisions of the Act as then in effect, for the purpose of (i) financing the acquisition, construction, improvement or equipping of residential real property consisting of 45 units, some or all of which will provide housing for low-income tenants, on certain real property located at 847 and 855 E. Drexel Road in Tucson, Arizona and to be commonly known as the "Rio Mercado Apartments," (ii) funding any required reserves, (iii) paying capitalized interest, if any, on the Bonds and (iv) paying the costs of issuance for the Bonds (collectively, the "*Project*"), all owned or to be owned by Rio Mercado Partners, LLC (a member of which is Southwest Nonprofit Housing Corporation, an Arizona nonprofit corporation) or its assignee (the "*Borrower*"); and

WHEREAS, it is deemed necessary and advisable for the citizens of Pima County, Arizona that the financing of the Project be undertaken at the earliest practicable date, and the Borrower has requested satisfactory assurance from the Authority that the proceeds of the sale of revenue bonds of the Authority in an amount necessary to pay all or a portion of the costs of financing the Project, together with the expenses of issuing the Bonds, which costs and expenses shall not exceed \$8,000,000 will be made available to finance the Project; and

WHEREAS, the Authority deems it necessary and advisable that it take such action as may be required under the Act as then in effect to preliminarily authorize the issuance of revenue bonds to pay the costs of financing the Project, which costs shall not exceed \$8,000,000.

WHEREAS, the Borrower has stated its willingness to finance the Project, and to enter into a loan agreement with the Authority, with respect to the Project under which the Borrower will be obligated (directly or through its bonds, notes or other obligations executed and delivered to evidence its obligations thereunder), to make loan, rental or other payments sufficient to pay the principal of, and interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable, such loan agreement to contain such other provisions as may be required by the Act, as then in effect and such other provisions as may be permitted by the Act, and as may be mutually acceptable to the Authority and the Borrower; and

WHEREAS, it is intended that this Resolution shall constitute an official action toward the issuance of revenue bonds within the meaning of any applicable provisions of the Internal Revenue Code and regulations thereunder.

NOW, THEREFORE, BE IT RESOLVED, by The Industrial Development Authority of the County of Pima, as follows:

Section 1. In order to assist the Borrower with the financing of the Project, it is deemed necessary and advisable by the Authority to preliminarily authorize the issuance and sale of revenue bonds in an amount sufficient to finance a portion of the cost of the Project in an aggregate principal amount not to exceed \$8,000,000.

Section 2. The Authority hereby grants preliminary approval to the issuance and sale of the Bonds pursuant to the Act in one or more tax-exempt and/or taxable series in an aggregate principal amount not to exceed \$8,000,000.

Section 3. This Resolution is an affirmative official action and declaration of official intent of the Authority relating to the issuance of the Bonds as contemplated herein including, without limitation, under Treasury Regulations Section 1.150-2.

Section 4. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This Resolution shall be of full force and effect immediately upon and after its adoption and for a period of five years thereafter.

PASSED AND APPROVED this ____ day of _____, 2018

THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF PIMA

By: _____

Its: _____

COMMUNITY INVESTMENT CORPORATION

RESOLVED, that the President and any other officer of the Authority is hereby authorized to make and execute all legal instruments, including agreements, contracts, deeds, mortgages, satisfactions of mortgages, judgments, notes, leases, bills of sale, endorsements, acknowledgments, etc., for and on behalf of the Authority in conjunction with the Authority's loan in the amount not to exceed One Million Dollars (\$1,000,000.00) to Community Investment Corporation for further charter school loan operations. The loan will bear interest at the rate of five percent (5%) per annum, have a maximum maturity of five (5) years, shall have semi-annual or annual payments, will be unsecured and shall have such other terms and conditions of the loan as approved by Legal Counsel to the Authority, with the final approval of such terms evidenced by the execution of the loan documents.