

Minutes
of the
Regular Meeting of Board of Directors of
The Industrial Development Authority of the County of Maricopa
(the “Authority”)

Date: April 17, 2018, 9:30 a.m.

Place: Maricopa County Administration Building
Board of Supervisors Conference Room
301 West Jefferson, 10th Floor
Phoenix, Arizona

Presiding: Jeremy Stawiecki

Present: Jeremy Stawiecki, Ron Westad, Doug Smith, Rebecca Burnham, Lisa A. James, Maria Spelleri, Jim Rounds (telephonically) and Ronald J. Castro, Jr.

Absent: Steven Bales, Jr.

Executive Director: Shelby L. Scharbach

Administrators: Janis L. Larson and Kathleen Jakubowicz

Business Development Officer: Gregg J. Ghelfi

Attorney: William F. Wilder and John J. Fries of Ryley Carlock & Applewhite

Mr. Stawiecki called the Regular Meeting of the Board of Directors of the Authority to order at 9:30 a.m., noting the presence of a quorum.

1. APPROVAL OF MINUTES OF THE REGULAR MEETING OF THE BOARD HELD ON MARCH 13, 2018, AND THE SPECIAL MEETING HELD ON APRIL 10, 2018.

On motion made by Mr. Smith and seconded by Ms. Burnham, the minutes of the March 13, 2018 Regular Meeting and the April 10, 2018 Special Meeting were approved as submitted.

The motion passed unanimously by a vote of (7-0).

2. DISCUSSION AND ACTION AS DETERMINED REGARDING ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$25,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF DONOR NETWORK OF ARIZONA.

Mr. Wilder introduced Kathy Mills, CFO, and Tim Brown, President and CEO, both of Donor Network of Arizona ("DNA"). Bryant Barber of Lewis Roca Rothgerber Christie LLP, Applicant's Counsel and Bond Counsel, was also in attendance in support of the proposed project.

Ms. Spelleri arrived at 9:32 a.m.

Mr. Wilder explained the proceeds of the bonds being requested will be used for the acquisition of land and construction of DNA's headquarter facility in Tempe. JP Morgan Chase Bank, N.A. will be purchasing the bonds.

After further discussion and upon motion made by Mr. Westad and seconded by Ms. Spelleri, the following was adopted:

RESOLVED to adopt a Resolution in the form presented to the meeting authorizing and approving the issuance of not to exceed \$25,000,000 The Industrial Development Authority of the County of Maricopa Direct Purchase Revenue Bonds (Donor Network of Arizona Project), Series 2018.

The motion passed unanimously by a vote of (8-0).

3. LEGISLATIVE REPORT, DISCUSSION AND ACTION AS DETERMINED.

Courtney LeVinus was present to give an update on pending legislative matters.

Ms. LeVinus reported that the Governor's plan for increasing teacher pay and establishing an education plan over the next 3 to 4 years is one of the major topics currently being considered by legislators.

No other new issues have been introduced that would impact the industrial development authorities.

4. DISCUSSION AND ACTION AS DETERMINED APPROVING THE AUTHORITY'S SPONSORSHIP GUIDELINES.

Ms. Scharbach referred to the draft Sponsorship Guidelines and the List of Events previously sponsored by the Authority, noting the limit for the Executive Director's authority to approve a sponsorship request being \$5,000. Ms. Scharbach requested the Board consider raising the Executive Director's authorization for sponsorship requests to \$10,000.

Mr. Castro questioned whether the List of Events that was distributed was truly sponsorship fees or just fees to attend events/business development expense.

Ms. Scharbach said it would be beneficial to identify specifically what is a business development expense, as compared to a sponsorship fee. Ms. Scharbach also suggested a budget should be established for sponsorships along with a budget for attendance fees/business development expenses.

Approval of the Sponsorship Guidelines was tabled, and the Board agreed prior to approving the Sponsorship Guidelines, there should be a delineation of business development expenses and sponsorship expenses, along with recommendations for annual budgets for each expense.

Ms. Scharbach explained that Phoenix will be hosting NALEO's 35th Annual Conference that will have a rather large impact on the Valley, and the Authority has received a request for a sponsorship fee of \$25,000 for this event.

After further discussion and upon a motion made by Ms. Spelleri and seconded by Ms. Burnham, the Board Members approved a sponsorship fee of \$10,000 for the NALEO 35th Annual Conference being held in Phoenix.

The motion passed unanimously by a vote of (8-0).

5. REPORT, DISCUSSION AND ACTION AS DETERMINED REGARDING THE 2012 HOME IN FIVE ADVANTAGE MORTGAGE ORIGINATION PROGRAM.

Mark O'Brien was present and reviewed the summary of the program for the quarter ended March 31, 2018.

Mr. O'Brien reminded the Board that starting January 2, 2018 the down payment assistance switched from a grant to a 3-year forgivable zero percent interest soft second mortgage, in order to slow down the rate of refinances of mortgages in the program.

There was a discussion regarding the slower origination of mortgages in the program, and Mr. O'Brien explained that California and Nevada are also experiencing a drastic slowdown in mortgage originations similar to Arizona. Some contributing factors may include rising home prices and rising interest rates.

Mr. O'Brien was asked to include the number of persons receiving the additional 1% down payment assistance on ongoing quarterly reports, including the numbers over the previous four quarters.

Ms. Scharbach reported that she is accumulating the Authority's historical revenue stream including those times when there were no single family programs.

6. PAYMENT OF INVOICES.

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the month ended March 31, 2018.

Mr. Westad moved to approve the payment of invoices as submitted for the period ended March 31, 2018. Mr. Castro seconded the motion.

The motion passed unanimously by a vote of (8-0).

7. FINANCIAL REPORT.

Ms. Scharbach distributed copies of the unaudited financial statements for the period ended March 31, 2018, and reviewed the same. Copies of the unaudited financial statements are attached hereto.

8. BUSINESS DEVELOPMENT OFFICER.

Mr. Ghelfi reported on the progress of Pipeline AZ and reminded the Board of the Coffelt-Lamoreaux grand opening to be held on April 20, 2018.

Mr. Westad asked Mr. Ghelfi to add the status of Pipeline AZ to his monthly report.

9. PRESIDENT'S REPORT.

There was no President report.

10. EXECUTIVE DIRECTOR'S REPORT.

Ms. Scharbach had no report.

11. LEGAL COUNSEL REPORT.

Mr. Wilder reminded the Board that their insurance expires on June 30, 2018. Insurance representatives from The Arizona Group have been invited to attend the Authority's May 8th meeting to discuss the renewal process and the possibility of increasing the limits.

12. COMMENTS FROM BOARD MEMBERS.

There were no comments from Board Members.

13. CALL TO THE PUBLIC.

No members of the public commented.

ADJOURNMENT

With no further business to come before the Authority, upon motion made and duly seconded, the Regular Meeting was adjourned at 10:33 a.m., without objection.

A handwritten signature in black ink, appearing to read "Steven B. Long". The signature is written in a cursive style with a horizontal line underneath the name.