

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

Date: June 12, 2018, 9:30 a.m.

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

Presiding: Steven Bales, Jr.

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

Absent: Maria Spelleri

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. Bales 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 MAY 8, 2018.

On motion made by Mr. Smith and seconded by Mr. Stawiecki, the minutes of the May 8, 2018 Regular Meeting were approved as submitted.

The motion passed unanimously by a vote of (6-0).

2. DISCUSSION AND ACTION AS DETERMINED REGARDING ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$35,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF DONOR NETWORK OF ARIZONA.

Ms. James joined the meeting at 9:31 a.m.

Mr. Wilder explained that the Board previously approved a bond issuance for Donor Network of Arizona ("DNA") in the amount of \$25,000,000. DNA is requesting changes from the Authority's original approval to include a not-to-exceed amount of \$35,000,000 (after receiving an updated construction budget), along with a change in the bond purchaser from Chase Bank to Compass Bank. Compass Bank will be requiring a deed of trust on the property.

Mr. Wilder said he would recommend approval of the proposed resolution.

After further discussion and upon motion made by Mr. Westad and seconded by Mr. Castro, 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 \$35,000,000 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 (7-0).

3. UPDATE, REPORT AND ACTION AS DETERMINED REGARDING RENEWAL OF INSURANCE.

Mr. Wilder referred to a letter he had written to the Board, dated April 19, 2018, which outlined the Authority's current insurance coverage and a proposed Premium Summary page prepared by The Arizona Group. Mr. Wilder reminded the Board the Authority's current coverage will expire on June 30, 2018.

Ms. Burnham joined the meeting at 9:37 a.m.

Mr. Wilder recommended renewal of the existing policies as is.

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

RESOLVED to approve the renewal of the Authority's insurance coverage, without the proposed increased limits.

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

4. DISCUSSION AND ACTION AS DETERMINED REGARDING CONTRACTING WITH JACOBSEN & WACHTERHAUSER TO PROVIDE ACCOUNTING SERVICES.

Ms. Scharbach referred to the engagement letter of Jacobsen & Wachterhauser and reminded the Board that this firm is responsible for the Authority's accounting services. The proposed hourly rate will increase from \$180 to \$185.

Ms. Scharbach recommended approval of the engagement letter with Jacobsen & Wachterhauser.

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

RESOLVED to approve the renewal of the engagement letter between the Authority and Jacobsen & Wachterhauser for the period ended June 30, 2019, with the requirement that the Authority receive a copy of Jacobsen & Wachterhauser's liability insurance policy.

Upon motion made by Mr. Castro and seconded by Mr. Smith the foregoing motion was modified to include the Authority receive a copy of only a certificate of insurance, rather than the entire policy.

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

5. DISCUSSION AND ACTION AS DETERMINED REGARDING APPOINTMENT OF A PERSON OR PERSONS TO NOMINATE BOARD MEMBERS TO SERVE AS OFFICERS OF THE AUTHORITY FOR THE COMING YEAR TO BE ELECTED AT THE AUGUST 2018 BOARD MEETING.

Mr. Bales reminded the Board that they will have the opportunity to appoint new officers at the August 14, 2018 meeting. Mr. Bales asked for a volunteer to poll the Board Members regarding a new slate of officers for the upcoming year. Mr. Castro volunteered.

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

Ms. Scharbach referred to the previously distributed memorandum, and reported there has been a significant slowdown in originations of mortgage loans in the program in the past six months, most likely due to a rise in the interest rate. She reminded the Board this is a nationwide issue, not just a local problem.

Ms. Scharbach said she has been involved in meetings with program partners to find new ideas to spur a growth in the program.

7. PAYMENT OF INVOICES.

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

Ms. Scharbach explained that Natalie Anderson of Kutak Rock, who has been responsible for trademarking the Home in Five name and trying to work with Suited Connector with a cease and desist order, would be leaving Kutak Rock soon.

Ms. Scharbach said she, along with the other Home in Five partners, have looked at three other law firms to determine the cost of moving forward with litigation against Suited Connector, and the dollar amount that would be invested into litigation is hard to justify when weighed against the damages to the program.

Since the Home in Five is now trademarked, the best course of action may be to just provide clear guidance to lenders, title companies, or anyone else using the Home in Five name.

Ms. Scharbach said there should not be any further invoices from Kutak Rock regarding the Home in Five program.

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

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

8. FINANCIAL REPORT.

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

There was a discussion regarding the decrease in Authority income because of the slowdown in the Home in Five program and how the Authority may need to reconsider its strategy relating to granting monies.

9. BUSINESS DEVELOPMENT OFFICER.

Mr. Ghelfi updated the Board Members on the status of Pipeline AZ. Mr. Ghelfi reported there are currently over 1,300 job seekers on the website and 11 case managers have been added. There are 753 careers embedded into the system. Maricopa County now has all available job openings also listed on the website. The mobile app for Pipeline AZ should be available by August.

Mr. Stawiecki left the meeting at 10:16 a.m.

10. PRESIDENT'S REPORT.

Mr. Bales invited the Board Members to lunch after the August 14, 2018 Board meeting.

11. EXECUTIVE DIRECTOR'S REPORT.

Ms. Scharbach had no report.

12. LEGAL COUNSEL REPORT.

Mr. Wilder reported that there are a few potential bond issues that will be coming to the Board, possibly by August.

13. COMMENTS FROM BOARD MEMBERS.

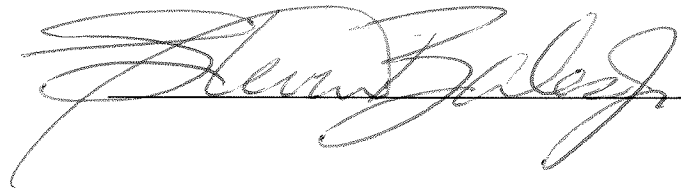
There were no comments from Board Members.

14. 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 10:27 a.m., without objection.

A handwritten signature in black ink, appearing to read "Steven Bales", written over a horizontal line.