

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

Date: August 14, 2018, 9:30 a.m.

Place: Maricopa County Administration Building
Board of Supervisors Conference Room
301 West Jefferson, 10th Floor
Phoenix, Arizona 85003

Presiding: Steven Bales, Jr.

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

Absent: Jim Rounds

Executive Director: Absent

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 9:31 a.m., noting the presence of a quorum.

1. APPROVAL OF MINUTES OF THE REGULAR MEETING OF THE BOARD HELD ON JULY 17, 2018.

On motion made by Ms. Spelleri and seconded by Mr. Smith, the minutes of the July 17, 2018 Regular Meeting were approved as submitted.

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

2. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION APPROVING AND CONSENTING TO THE SALE OF THE LAKE PLEASANT VILLAGE APARTMENTS PROJECT AND THE ASSUMPTION OF THE REGULATORY AGREEMENT.

Mr. Wilder explained that Lake Pleasant Village (Phoenix), LLC and Lake Pleasant Village (Arizona), LLC will be purchasing the Lake Pleasant Village Apartments as tenants in common, and will be assuming the Regulatory Agreement encumbering the property with approximately two years remaining on the qualified project period. The outstanding bonds of approximately \$8,000,000 will be paid off when the property is acquired by the new buyers.

Mr. Wilder said he has reviewed a draft of the Assumption and Subordination Agreement and is comfortable in recommending the Authority approve the transaction.

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

RESOLVED to adopt a Resolution in the form presented to the meeting authorizing and approving the sale and transfer of the Lake Pleasant Village Apartments Project; the assumption by the Purchasers of the Regulatory Agreement that encumbers the project through the execution of an Assumption and Subordination Agreement in a form approved by counsel to the Authority; and the execution and delivery of such other documents, as approved by counsel to the Authority, to carry out the transfer of the Project and the subordination of the Regulatory Agreement as contemplated by the Resolution.

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

3. DISCUSSION AND ACTION AS DETERMINED REGARDING ADOPTION OF A RESOLUTION GRANTING APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$20,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF OTTAWA UNIVERSITY.

Mr. Wilder explained that Ottawa University has been developing a major residential campus in Surprise, Arizona, and the bulk of the proposed bond proceeds will be used to construct the Ottawa University-O'Dell Athletic Complex. A portion of the bond proceeds (approximately \$2,000,000) will be used to refinance a building owned by Ottawa University north of Dunlap on 25th Avenue in Phoenix.

This financing will be a private-placement with Arizona Bank & Trust.

Mr. Wilder said he is comfortable in recommending the adoption of the proposed resolution.

The following persons were in attendance in support of the proposed financing: Clark Ribordy, Chief Financial Officer of Ottawa University, and Julie Arvo MacKenzie, Bond Counsel, of Engelman Berger, P.C.

In response to a question from Mr. Castro regarding the land being leased by Ottawa University from the City of Surprise, Mr. Ribordy said the land lease is for a period of 65 years, with three additional five years extensions. Mr. Ribordy said this will be Ottawa's second residential campus. The initial housing units will consist of approximately 308 beds, with a second housing unit to begin shortly thereafter.

After further discussion and upon motion made by Mr. Castro and seconded by Mr. Westad, 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 \$20,000,000 The Industrial Development Authority of the County of Maricopa Educational Facilities Revenue Bonds (Ottawa University-O'Dell Athletic Complex), Series 2018.

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

4. DISCUSSION AND ACTION AS DETERMINED REGARDING ADOPTION OF A RESOLUTION GRANTING APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$660,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF BANNER HEALTH TO FINANCE A SERIES OF PROJECTS.

Mr. Wilder explained that the proceeds of the bonds will be used to finance the remaining work to be done on patient towers at the main Banner facility in Phoenix and at the University Medical Center in Tucson. Additionally, a large number of bonds previously issued by the Arizona Health Facilities Authority are being refinanced with proceeds of the proposed bonds. The bonds being refunded were used to finance numerous facilities throughout the State of Arizona and in Loveland, Colorado. Banner Health will also be restructuring their internal debt.

The following persons were in attendance in support of the proposed financing: Brenda Schaefer, Vice President/Treasurer of Banner Health, and Mary Schubert, Senior Associate General Counsel for Banner Health.

After further discussion and upon motion made by Mr. Westad and seconded by Mr. Stawiecki, 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 \$660,000,000 The

Industrial Development Authority of the County of Maricopa Revenue Bonds
(Banner Health), Series 2018.

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

5. REPORTS BY MULTIFAMILY HOUSING COMPLIANCE REVIEW ADVISORS, AND DISCUSSION AND ACTION AS DETERMINED REGARDING COMPLIANCE WITH LAND USE RESTRICTION AGREEMENTS OR REGULATORY AGREEMENTS ENCUMBERING OUTSTANDING MULTIFAMILY HOUSING PROJECTS FINANCED BY THE AUTHORITY.

Mr. Wilder reminded the Board that project users for multifamily housing projects are required to engage a third party to perform an annual review of their multifamily projects and to report to the full Board each August. Julie Guffey of JAG Compliance and Consulting has been engaged to review all of the Authority's multifamily projects.

Ms. Guffey reported that each of the Authority's 34 projects is in compliance with the requirements of their regulatory agreements.

Discussion ensued.

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

Mr. Ghelfi said staff is looking at options to improve the program in order to shrink the gap between the program's interest rate and market rate. Mr. Ghelfi said there should be more information available by September on other options to improve the program.

7. DISCUSSION AND ACTION AS DETERMINED REGARDING ADOPTION OF A RESOLUTION DESIGNATING PERSONS TO BE AUTHORIZED SIGNERS OF AUTHORITY DOCUMENTS, AUTHORIZED SIGNERS ON AUTHORITY BANK AND INVESTMENT ACCOUNTS, DESIGNATING AUTHORIZED AUTHORITY REPRESENTATIVES TO CONDUCT PUBLIC HEARINGS AND RELATED MATTERS.

Mr. Wilder explained that the Board has periodically taken action to approve a resolution authorizing each Board Member to be a signer on documents, to be a signer on bank accounts and to be entitled to conduct public hearings, if need be. Mr. Wilder said it would, once again, be appropriate to take such action with the addition of new Board Members.

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

RESOLVED to adopt a resolution in the form presented to the meeting designating persons to be authorized signers of documents, authorized signers of bank and financial accounts and designating persons authorized to conduct public hearings on behalf of the Authority.

8. PAYMENT OF INVOICES.

Mr. Ghelfi referred to the invoices previously distributed to the Board Members for the month ended July 31, 2018. Mr. Ghelfi explained that the invoices referencing gift cards from Home Depot relate to marketing efforts for homebuyer stories for persons purchasing a home through the Home in Five program.

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

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

9. FINANCIAL REPORT.

Mr. Ghelfi distributed the unaudited financial statements for the period ended July 31, 2018, and said Ms. Scharbach would be available at the September meeting to answer questions. Copies of the unaudited financial statements are attached hereto.

10. REPORT BY THE AUTHORITY'S PRESIDENT ON THE AUTHORITY'S CONDITION AS REQUIRED BY ARTICLE III, SECTION 1 OF THE AUTHORITY'S BY-LAWS.

Mr. Bales referred to the President's Annual Report in the Board packages.

11. REPORT BY NOMINATING COMMITTEE AND ELECTION OF OFFICERS.

Mr. Ghelfi presented Mr. Bales with a gift for his past year of service to the Authority.

Mr. Castro reported that each Board Member who was in line to move up for officer positions has agreed to do so. Mr. Castro proposed the following slate:

President	Jeremey Stawiecki
First Vice President	Ronald L. Westad
Second Vice President	Maria Spelleri
Secretary/Treasurer	Ronald J. Castro, Jr.

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

RESOLVED that the slate of officers presented be elected as officers of the Authority to serve from the conclusion of the present meeting until their successors are elected.

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

12. BUSINESS DEVELOPMENT OFFICER.

Mr. Ghelfi reported that Pipeline AZ is working on bringing in case managers, focusing on the groups that received grants from the Authority.

Mr. Ghelfi referred to the Dress for Success/St. Joseph the Worker program, and explained that they now have soft-skills programs to assist their clientele in obtaining jobs. Mr. Ghelfi said the Dress for Success program focuses on persons being released from prison.

13. PRESIDENT'S REPORT.

Mr. Bales thanked Board Members, staff and legal counsel for the past year during the time he was president of the Authority.

14. EXECUTIVE DIRECTOR'S REPORT.

On behalf of Ms. Scharbach, Mr. Ghelfi thanked Mr. Bales for his past year of service.

15. LEGAL COUNSEL REPORT.

Mr. Wilder had no report.

16. COMMENTS FROM BOARD MEMBERS.

Ms. James reminded the Board of the First Place VIP housewarming event to be held on September 21, 2018, and the St. Joseph the Worker "Celebration of the Worker" event to be held on September 28, 2018.

17. CALL TO THE PUBLIC.

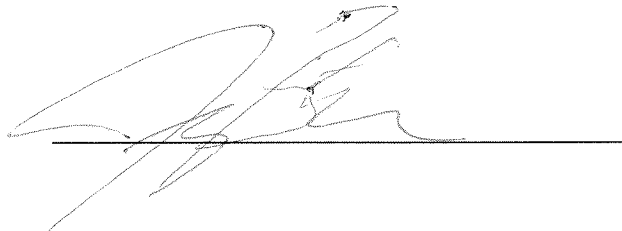
Charles Lotzar requested to be heard by the Authority Board. Mr. Lotzar introduced himself as legal counsel to The Industrial Development Authority of the City of Tucson, Arizona, and encouraged the Board to have more interaction amongst the various IDA Boards.

Mr. Lotzar notified the Board of a legislative movement being brought by the Phoenix IDA regarding jurisdiction with respect to housing. Mr. Lotzar encouraged the Board to protect their own jurisdiction.

Mr. Lotzar thanked the Board for all their efforts in helping the community and encouraged them to consider deploying “gap” funds for projects. He reminded the Board of two projects wherein the Authority contributed gap funding to make the project happen. One project was the Monroe Street Abbey, which was the pioneer of high-rise housing in this area. Another project was the Horace Steele Commons project, on behalf of Arizona Housing, Inc., which is transitional housing for formerly homeless persons. This project was a national level transaction that never would have happened if it wasn’t for the Authority’s gap funding.

ADJOURNMENT

With no further business to come before the Authority, upon motion made and duly seconded, the Annual and Regular Meeting was adjourned at 10:42 a.m., without objection.

A handwritten signature in black ink, appearing to be "D. Lotzar", is written over a solid horizontal line.