

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

Date: October 8, 2019, 9:30 a.m.

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

Presiding: Ronald L. Westad

Present: Ronald J. Castro, Jr., Rebecca Burnham, Lisa A. James, Maria Spelleri, Ronald L. Westad, Jim Rounds (telephonically), Andrew M. Cohn (telephonically), and Jeremey Stawiecki (telephonically)

Absent: Steve Bales

Executive Director: Shelby L. Scharbach

Administrators: Janis L. Larson and Kathleen Jakubowicz

Business Development Officer: Gregg Ghelfi

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

Mr. Westad 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 AUGUST 13, 2019.

On motion made by Ms. Burnham and seconded by Mr. Castro, the minutes of the August 13, 2019 Regular Meeting were approved as submitted.

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

2. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$170,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF LEGACY TRADITIONAL SCHOOLS.

Lisa James joined the meeting at 9:32 a.m.

Mr. Fries explained that Legacy Traditional Schools (the "Applicant") will be using \$108 million of the proposed financing to refinance bonds issued in 2017 and 2018 and approximately \$41 million to invest in their Goodyear Campus and expand their Phoenix Campus.

Mr. Fries introduced the following persons who were in attendance in support of the proposed bond financing: Corey Kennedy, Chief Financial Officer, and Richard Yang, Director of Finance, both of Legacy Traditional Schools, along with Brigitte Finley-Green, Bond Counsel, of Engelman Berger, PC, and Terry Warren, Applicant's Counsel, of Warren Charter Law, PLC who attended telephonically.

Mr. Kennedy gave some background on the Applicant, which started in 2007 in Maricopa with one campus and approximately 400 students. Today the Applicant serves almost 22,000 students with 15 campuses in Arizona and 3 in Las Vegas, Nevada.

Mr. Kennedy reiterated the bond proceeds will be used to refinance the 2017 and 2018 bonds, along with the construction of the West Surprise Campus, the expansion of the Phoenix Campus and the purchase of the Goodyear Campus, which is currently being leased.

Mr. Kennedy and Ms. Finley-Green responded to a number of questions from Board Members.

After further discussion and upon motion made by Ms. Spelleri and seconded by Ms. Burnham, 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 \$170,000,000 The Industrial Development Authority of the County of Maricopa Education Revenue Bonds (Legacy Traditional Schools Project), Series 2019.

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

3. DISCUSSION AND ACTION AS DETERMINED REGARDING THE 2019 HOME IN FIVE ADVANTAGE MORTGAGE ORIGINATION PROGRAM.

Ms. Scharbach referred to the documents included in the Board packages, and explained that Scott Riffle will attend the Board's November 12, 2019 Regular meeting to update the Board on the recent merger of George K. Baum with Stifel.

Mr. Ghelfi said the Home in Five Program is continually improving since the transition over to George K. Baum and Lakeview. A few changes have been made to the program, and the Home in Five Program is receiving a good market share of the loans.

4. FINANCIAL REPORT.

Ms. Scharbach referred to the unaudited financial statements for the periods ended August 31, 2019 and September 30, 2019. Copies of the draft September 30, 2019 unaudited financial statements are attached hereto.

Ms. Scharbach reviewed the September 30, 2019 unaudited financial statements, and said the Authority continues to have a healthy net position.

5. PAYMENT OF INVOICES.

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the months ended August 31, 2019 and September 30, 2019.

Mr. Castro moved to approve the payment of invoices as submitted for the periods ended August 31, 2019 and September 30, 2019. Ms. James seconded the motion.

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

6. BUSINESS DEVELOPMENT OFFICER.

Mr. Ghelfi reviewed his previously-distributed monthly update, and noted there have been discussions with the community colleges within Maricopa County to use Pipeline AZ as a platform to assist their students coming into and out of their system. Currently, the community colleges have agreed to use Pipeline AZ as a pilot program. Pima and Pinal community colleges are also considering the use of Pipeline AZ. Local high schools are also looking at using Pipeline AZ as a career development platform. In early November there may also be some discussions with construction and manufacturing groups to determine how they can be part of the platform. Efforts are also being made to include the criminal justice system.

There was a discussion on the importance of raising the profile of Pipeline AZ and ways of tracking the success of the program.

7. PRESIDENT'S REPORT.

Mr. Westad noted the 2018-2019 audited financials are underway and in the final stages.

Mr. Westad reminded the Board that Creighton University will be requesting bond financing and a grant at the November Board meeting, and reminded the Board of the upcoming planning meeting to be held on October 16, 2019.

8. EXECUTIVE DIRECTOR'S REPORT.

Ms. Scharbach reminded the Board Members of the upcoming Greater Phoenix Chamber of Commerce Economic Outlook breakfast to be held on October 10, 2019 and the I Am Home Breakfast for Human Services Campus scheduled for December 13, 2019.

Ms. Scharbach reported on the very successful Greater Phoenix Economic Council annual festival that was held on October 4th.

Ms. Scharbach noted the Authority's auditors are expected to attend the December Regular meeting to provide an update to the Board on the 2018-2019 audited financials.

9. LEGAL COUNSEL REPORT.

Legal Counsel had no report.

10. COMMENTS FROM BOARD MEMBERS.

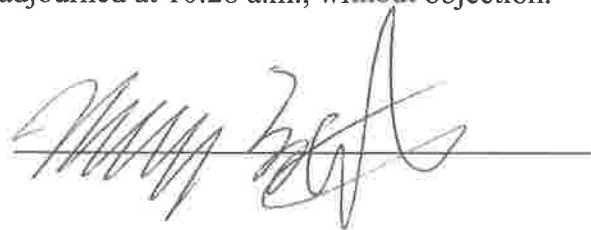
Ms. Spelleri suggested the Authority's Mission Statement be added to the mcida.com website.

11. 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 10:28 a.m., without objection.

A handwritten signature in black ink, appearing to be "M. Westad", is written over a horizontal line.