



## BOND APPLICATION PROCEDURES AND FORM OF APPLICATION

January 1, 2019

The Industrial Development Authority of the City of Scottsdale, Arizona (the “**Authority**”) is committed to helping borrowers structure the most advantageous financing for their projects. We take pride in our flexibility, responsiveness, and competitive fees. Please contact us for a no obligation discussion of your project and ways the Authority can assist you.

Roxann Gallagher, Authority Counsel.  
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**TABLE OF CONTENTS**

	<u>Page</u>
<b>SECTION 1 INTRODUCTION .....</b>	<b>1</b>
<b>SECTION 2 DEFINITIONS .....</b>	<b>1</b>
<b>SECTION 3 ELIGIBLE PROJECTS .....</b>	<b>4</b>
<b>SECTION 4 APPLICATION PROCEDURE .....</b>	<b>6</b>
<b>SECTION 5 APPROVALS AND ADOPTION OF LEGAL PROCEEDINGS .....</b>	<b>7</b>
<b>SECTION 6 AUTHORITY FEES AND EXPENSES .....</b>	<b>8</b>
<b>SECTION 7 SPECIAL CONDITIONS FOR CONSTRUCTION PROJECTS .....</b>	<b>9</b>
<b>SECTION 8 SPECIAL CONDITIONS FOR HEALTH CARE INSTITUTION PROJECTS 9</b>	
<b>SECTION 9 CLOSING REQUIREMENTS AND CONDITIONS.....</b>	<b>10</b>
<b>SECTION 10 MISCELLANEOUS .....</b>	<b>10</b>
<b>EXHIBIT A. THE APPLICANTION.....</b>	

**THE INDUSTRIAL DEVELOPMENT  
AUTHORITY OF THE CITY OF SCOTTSDALE, ARIZONA**

**BOND APPLICATION PROCEDURES**

**SECTION 1  
INTRODUCTION**

The Industrial Development Authority of the City of Scottsdale, Arizona (“**Authority**”) is a nonprofit corporation designated a political subdivision of the State of Arizona (“**State**”).

The Authority was established in 1984 to promote industry and develop trade, stimulate and encourage the production, development and use of agricultural products and natural resources, and assist in the rehabilitation, expansion and development of businesses and industries to advance economic development and job opportunities in the City of Scottsdale, Arizona (the “**City**”). We also promote the construction, improvement and equipping of residential real property for dwelling units and strive to create an improved standard of living, increased prosperity, and improved health for residents of the City.

**SECTION 2  
DEFINITIONS**

As used in these Bond Application Procedures, the following terms have the indicated meanings:

“**Accountant**” means an independent certified public accountant as the term is defined in the 1933 Act.

“**Act**” means the Industrial Development Financing Act, A.R.S. Sections 35-701 et seq.

“**Applicant**” means the Person seeking to have Bonds issued on its behalf to finance or refinance the purchase, construction, improvement or equipping of one or more Projects.

“**Application**” means an application to be provided by, and filed with, the Authority, consisting of information for the Authority to base its decision to consider preliminary approval to the issuance of Bonds in substantially the form attached as Exhibit A hereto.

“**Arizona Blue Sky Law**” means A.R.S. Sections 44-1801 et seq.

“**A.R.S.**” means Arizona Revised Statutes.

“**Authority Counsel**” means the law firm retained by the Authority to review all applications to determine a Project’s eligibility for Bond financing under law and to review all Bond documents.

“**Board**” means the Board of Directors of the Authority.

“**Bonds**” means any bonds to be issued by the Authority.

“**Bond Counsel**” means a law firm acceptable to the Authority, the Applicant and any Trustee, with a proven reputation in the field of municipal finance retained by the Authority (but paid by the Applicant) to render an unqualified opinion as to the legality and enforceability of the Bonds and to draft or review, as the case may be, the Legal Proceedings for the issuance of the Bonds. Applicant’s counsel may not serve as Bond Counsel except in the case of a private placement and then only with the express written approval of the Authority.

“**Bond Purchaser**” means the Person or Persons who have agreed to purchase some or all of an issue of the Authority’s Bonds for investment and not with a view to public distribution.

“**Carryforward Project**” has the meaning set forth in Section 146(f) of the Code.

“**City**” means the City of Scottsdale, Arizona.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Director**” means a member of the Board.

“**Environmental Law**” means any federal, state or local law, regulation or requirement now or hereafter in effect relating to human health or safety or the protection of the environment.

“**Financial Consultant**” means the financial consultant retained by the Authority to review the documents to be used in the Bond financing.

“**Guarantor**” means any Person other than the Applicant (including a parent, affiliate or subsidiary of the Applicant) who guarantees the payment of the Bonds or the underlying security for the Bonds.

“**Guaranty**” means either a guaranty of payment or a guaranty of collection.

“**Indemnified Party**” or “**Indemnified Parties**” means the Authority, its past, present, and future directors, officers, counsel, advisors or agents, and the City, its past, present or future City Council members, employees and agents, individually and collectively.

“**Legal Proceedings**” includes, among other documents, the following documents relating to the issuance of the Bonds:

- (i) Any lease, loan agreement, purchase contract, note, mortgage, deed of trust or other security instrument which is to be executed by the Applicant;
- (ii) The resolution of the Authority authorizing the issuance of the Bonds;
- (iii) Any trust indenture or similar trust instrument;
- (iv) All preliminary Official Statements and final Official Statements;
- (v) A notice of sale if the Bonds are to be sold through competitive public bidding;

(vi) The bond purchase agreement, together with any related letters required by the Underwriter, Bond Counsel or the Bond Purchaser;

(vii) All Guaranty documents;

(viii) The form of Bond Counsel's opinion;

(xi) The form of the Accountant's comfort letter(s);

(x) Nonlitigation certificate;

(xi) Arbitrage certificate;

(xii) Trustee's report;

(xiii) Proposed language for insertion in the minutes of all meetings of the Authority where official action is to be taken in connection with the Project;

(xiv) Such other proceedings as are required by the Underwriter, Bond Counsel, the Bond Purchaser or the Authority;

(xv) Drafts of any instruments which the Authority must adopt or approve, or any Director or officer of the Authority must sign or any questionnaire which must be completed relative to contemplated submissions to any federal or state regulatory body or to any rating agency;

(xvi) The indemnity agreements;

(xvii) Resolutions and certificates of the Applicant deemed necessary by Bond Counsel to complete the financing; and

(xviii) Affidavits of publication of notices of public hearings.

**"1933 Act"** means the Securities Act of 1933, as amended.

**"1934 Act"** means the Securities Exchange Act of 1934, as amended.

**"1939 Act"** means the Trust Indenture Act of 1939, as amended.

**"Official Statement"** means a prospectus or offering statement concerning the Bonds or, where a sale by competitive public bidding is concerned, a notice of the sale of the Bonds.

**"Person"** means any individual, corporation, partnership, limited liability company, joint venture, joint stock company, unincorporated association or similar form of legal entity.

**"Project"** means any project which is authorized by the Act. Each phase of a multiphase application or Project shall be considered to be a separate Project for all purposes.

**"State"** means the State of Arizona.

“**Trustee**” means a financial institution, trust company or other entity selected by the Applicant and acceptable to the Authority.

“**Underwriter**” means any entity which has, directly or indirectly, purchased or plans to purchase the Bonds with a view to the public distribution of any of such Bonds.

“**Underwriter’s Counsel**” means the counsel representing the Underwriter, if any.

### **SECTION 3** **ELIGIBLE PROJECTS**

The Authority may issue its Bonds only to finance a Project which is specifically authorized by the Act. Under the Act, a “**Project**” is defined to include any land, any building or any other improvement, and all real and personal properties, including machinery and equipment whether or not now in existence or under construction, whether located within or without the State or the City, which are suitable for any of the following:

(i) Any enterprise for the manufacturing, processing or assembling of any agricultural or manufactured products.

(ii) Any commercial enterprise for the storing, warehousing, distributing or selling of products of agriculture, mining or industry, or of processes related thereto, including research and development.

(iii) An office building or buildings for use as corporate or company headquarters or regional offices or the adaptive use for offices of any building within the State that is on the national register of historic places or rehabilitation of residential buildings located in registered historic neighborhoods.

(iv) A health care institution as defined in A.R.S. Section 36-401.

(v) Residential real property for dwelling units located within the City.

(vi) Repairing or rehabilitating single family dwelling units or constructing or repairing residential fences and walls.

(vii) Convention or trade show facilities.

(viii) Airports, docks, wharves, mass commuting facilities, parking facilities, or storage or training facilities directly related thereto.

(ix) Sewage or solid waste disposal facilities or facilities for the furnishing of electric energy, gas or water.

(x) Industrial park facilities.

(xi) Air or water pollution control facilities.

(xii) Any educational institution operated by a nonprofit educational organization that is

exempt from taxation under Section 501(c)(3) of the Code and not otherwise funded by State monies, any educational institution or organization established under A.R.S. Title 15, Chapter 1, Article 8, and owned by a nonprofit organization, any private nonsectarian school or any private nonsectarian organization established for the purpose of funding a joint technological educational school district.

(xiii) Research and development facilities.

(xiv) Any commercial enterprises, including facilities for manufacturing, office, recreational, hotel, motel and service uses if the facilities are to be located in a “designated area” as defined in the Act.

(xv) A child welfare agency, as defined in A.R.S. Section 8-501, owned and operated by a nonprofit organization.

(xvi) A transportation facility constructed or operated pursuant to A.R.S. Title 28, Chapter 22, Article 1 or 2.

(xvii) A museum operated by a nonprofit organization.

(xviii) Facilities owned or operated by a nonprofit organization described in Section 501(c) of the Code.

(xx) New or existing correctional facilities within the State.

The definition of “**project**” under the Act is subject to change, therefore, reference is made to the Act for a complete statement of the powers of the Authority and the types of projects available for bond financing.

The provisions of federal law, as well as the Act, must be reviewed to determine the limitations and requirements pertaining to the financing of a particular project. An Applicant should consult with Bond Counsel at an early stage to determine whether a project complies with existing legal requirements.

The Authority reserves the right to add additional requests to the issuance of its Bonds to finance a Project on a case-by-case basis. In addition, the requirements stated herein may be waived by the Authority in appropriate circumstances.

Until the Bonds are issued, the Authority reserves the right, among other things, to:

- (a) Reject the Application or the Project in whole or in part;
- (b) Reject the Application as being incomplete;
- (c) Reject the Applicant’s choice of Bond Counsel, Underwriter or Trustee;
- (d) Require corrections, deletions, changes, additions or amendments to any Legal Proceedings;

(e) Impose any other reasonable requirements as conditions precedent to the issuance of its Bonds; and

(f) Postpone from time to time consideration of the Application.

#### **SECTION 4** **APPLICATION PROCEDURE**

4.1 Form of Application. The Authority encourages early, no commitment discussions of an Applicant's project. Applicants are requested to submit a full and complete Application prior to the Authority considering whether to grant preliminary approval of the Application. The Application shall be in the substantial form attached hereto as Exhibit A or as may be approved and/or provided by the Authority.

Section 4.1 Filing Procedure. The Application, together with ten copies thereof, and the Application Filing Fee (as defined in Section 6), must be submitted to the Authority no fewer than ten business days prior to the meeting of the Authority for which consideration of the Application is requested. Applications shall be delivered to:

The Industrial Development Authority of the City  
of Scottsdale, Arizona  
c/o Roxann Gallagher, Authority Counsel  
Sacks Tierney P.A.  
4250 N. Drinkwater Blvd., Suite 400  
Scottsdale, Arizona 85251  
Phone: (480) 425-2673  
Email: Roxann.Gallagher@SacksTierney.com

4.2 Applicant's Affidavit. The Application must include the Financing Application Affidavit attached to the Form of Application and must be signed by an appropriate officer (if the Applicant is a corporation), by a general partner (if the Applicant is a partnership, by an authorized manager or member (if the Applicant is a limited liability company), or by the owner (if the Applicant is a sole proprietorship), and acknowledged before a notary public.

4.3 Application Review. The Authority will refer the Application to Authority Counsel, City staff and such other persons as the Authority deems necessary for their review. The Authority Counsel, City staff and other persons shall report on the results of their review of the Application at the meeting for which consideration of the Application is requested.

4.4 Further Diligence. Based on the type of Project to be financed, the Authority will request that the Applicant provide the Authority with additional descriptive information about the Applicant's business and/or the Project, including, but not limited to, historical operating and financial data and financial projections on the Applicant's business or the Project.

4.5 Application Presentation. The Authority requires that a representative of the Applicant be present to provide an oral presentation concerning the Project at each meeting of the Authority for which the Application, an amendment to the Application, a request for extension of preliminary approval of the Application or any other matter involving the Application is to be

considered. The representative of the Applicant shall be prepared to respond to questions concerning the Project, the issuance of the Bonds and the information contained in the Application or any other related documents. If the answers appear inadequate, the Authority may postpone action on the resolution granting preliminary approval of the Application or the resolution authorizing the issuance of the Bonds until the Authority is satisfied with the answers notwithstanding that any agreements, approvals or understandings may have been indicated to the Applicant that an approval or a resolution would be adopted on a particular date.

## **SECTION 5** **APPROVALS AND ADOPTION OF LEGAL PROCEEDINGS**

5.1 Preliminary Approval. The Authority shall adopt a resolution either granting or denying preliminary approval with respect to an Application. The preliminary approval may be subject to such conditions as the Authority, in its sole discretion, may require. In the event the Authority grants preliminary approval, with respect to an Application, the Applicant will be notified in writing. Except with respect to a Carryforward Project, the preliminary approval will expire in 180 days unless within that time the Applicant has obtained final approval with respect to the Application from the Authority or has obtained an extension of preliminary approval from the Authority. The Authority, in its discretion, may waive the requirement for preliminary approval and require only final approval.

5.2 Extension of Preliminary Approval. Except with respect to a Carryforward Project, the Applicant may request an extension of preliminary approval by submitting to the Authority no fewer than ten business days prior to the meeting of the Authority for which the consideration of the extension is requested, the Extension Fee (as defined in Section 6) together with a written request setting forth the following: (a) the date preliminary approval was granted; (b) the extension period requested; (c) the number of extensions, if any, previously granted; and (d) the reasons for the requested extension. The Authority reserves the right to deny requests for extension for any reason.

5.3 Arizona Corporation Commission Filing Requirement. A “notice of proposed offering” may be required to be filed with the Arizona Corporation Commission, Securities Division, in connection with issues of the Authority offered for public sale by means of an official statement and not specifically exempt pursuant to A.R.S. Section 44-1843.01. The filing of the “notice of proposed offering” in Arizona or complying with the registration requirements of other states shall be the joint responsibility of the Applicant and the Underwriter or placement agent.

5.4 Allocation of Private Activity Bonding. The Applicant or Bond Counsel shall be responsible for obtaining any required allocation of volume cap for the Project financing under A.R.S. Sections 35-901 et seq.

5.5 Public Hearing. Section 147(f) of the Code requires that before final approval of the Bonds can be granted, a public hearing following reasonable public notice must be held granting all interested parties an opportunity to be heard. The Authority will make reasonable efforts to hold the hearing immediately prior to the meeting for final approval.

5.6 Final Approval. The Authority shall adopt a resolution either granting or denying

final approval with respect to an Application. If the Authority grants final approval to an Application, the Authority does so with the understanding that (a) all the conditions imposed upon the Applicant in the Authority's resolution granting preliminary approval with respect to the Application have been or will be satisfied; (b) the documents comprising the Legal Proceedings are all in substantially final form; (c) the receipt of all other approvals required by this Section 5; and (d) such other requirements as may be imposed by the Authority in connection with the issuance of the Bonds. Except with respect to a Carryforward Project, the final approval will expire in 90 days unless the Bonds have been issued or unless otherwise expressly extended by the Authority. The Applicant must request in writing final approval no fewer than ten business days prior to the meeting of the Authority for which consideration of final approval is requested. Applicant must also submit to the Authority all Legal Proceedings no fewer than ten business days prior to such meeting.

5.7 Council Approval. After final approval has been granted by the Authority, the proposed financing of the Project will be referred to the Scottsdale City Council for its approval at the next available regularly scheduled meeting of the City Council.

5.8 Arizona Attorney General. A.R.S. Section 35-721.F requires the Authority to deliver to the Arizona Attorney General a description of the Project.

5.9 Carryforward Projects. The Authority will permit an Applicant to submit a request for approval of a Project contingent upon obtaining a carryforward allocation in accordance with applicable state and federal law. If the Authority grants preliminary approval for the financing of a Carryforward Project, the Applicant shall have until the end of the third calendar year (or such shorter or longer period as may then be provided under federal and state laws applicable to Carryforward Projects) following the calendar year in which the carryforward arose to issue the Bonds (the "**Carryforward Deadline**"). The expiration dates with respect to preliminary approval and final approval and the extension provisions with respect to preliminary approval and final approval shall not apply to Carryforward Projects. However, Applicants shall be required to submit a status report on the Project to the Authority, together with a \$500 filing fee, at the end of each 180-day period following preliminary approval until final approval is granted. All other provisions of these Procedures that would otherwise apply to a given Project shall apply to a Carryforward Project of the same nature. The Authority's preliminary approval with respect to a Carryforward Project shall expire upon the earlier of the Carryforward Deadline or the granting of final approval by the Authority. The Authority's final approval with respect to a Carryforward Project shall expire upon the earlier of the Carryforward Deadline or the issuance of the Bonds.

## **SECTION 6**

### **AUTHORITY FEES AND EXPENSES**

(a) Application Filing Fee. The Authority requires each Applicant to file an Application filing fee in the amount of \$2,500 (the "**Application Filing Fee**").

(b) Review Fees. In addition to the Application Filing Fee, the Applicant must agree to pay all fees and expenses incurred by the Authority relating to the processing of the Application, the review of the Legal Proceedings, and the issuance of the Bonds, including but not limited to the fees and expenses of the Authority Counsel and Financial Consultant, whether

incurred before or after the sale of the Bonds. The Applicant shall be required to pay the fees and expenses of the Authority irrespective of the issuance or funding of the Bonds.

(c) Extension Fee. In the event Applicant requests an extension of preliminary approval of the Application, a nonrefundable extension fee in the amount of \$1,000 (the “**Extension Fee**”) shall be payable by the Applicant to the Authority at the time an extension is requested.

(d) Annual Administrative Fee. As a condition to the issuance of the Bonds, the Applicant shall pay to the Authority an annual administrative fee in the amount of seven basis points (.070%) of the outstanding aggregate principal balance of the Bonds, with an annual minimum of \$2,500 (the “**Annual Administrative Fee**”). On issuances over \$10 million, please request a specific fee quote. The Annual Administrative Fee shall be payable on the anniversary date of the issuance of the Bonds. The initial Annual Administrative Fee shall be payable on the closing date of the Bonds. The Legal Proceedings shall contain a covenant requiring the Applicant to pay the Annual Administrative Fee. In addition, the Legal Proceedings shall provide that the Applicant’s failure to pay the Annual Administrative Fee within 90 days of the due date shall constitute an event of default

## **SECTION 7**

### **SPECIAL CONDITIONS FOR CONSTRUCTION PROJECTS**

7.1 Construction Escrow. In all Projects where Bonds are issued and construction is contemplated, the Legal Proceedings must contain provisions acceptable to the Authority providing for the retention of construction funds by the Trustee or a depository selected for that purpose. Unless otherwise recommended by the Authority Counsel or Bond Counsel, the construction fund shall allow for payment only on a draw or “**as-completed**” basis with a reserve against final completion of the Project.

7.2 Construction Sign. For all Projects where Bonds are issued and construction is contemplated, a sign shall be posted on the Project site, at a location clearly visible from an adjacent roadway, stating that the Project has been financed through the Authority. The size and design of the sign shall be approved by the City staff.

## **SECTION 8**

### **SPECIAL CONDITIONS FOR HEALTH CARE INSTITUTION PROJECTS**

8.1 Demand Study. For all Projects where Bonds are to be issued for a health care institution, the Applicant must obtain and deliver to the Authority a demand study (if new construction is contemplated) and a financial feasibility study (if either new construction or refinancing of existing permanent financing is contemplated) unless waived by the Authority. The demand study and the feasibility study shall be prepared by a nationally-recognized firm of hospital consultants, engineers, architects or accountants having a proven reputation in the field of health care finance and shall be delivered to the Authority prior to the publication of a preliminary Official Statement or the adoption of a final Official Statement.

8.2 Environmental Compliance. The Applicant shall demonstrate to the Authority that the proposed health care institution will have a written set of procedures designed to comply with

all Environmental Laws.

## **SECTION 9**

### **CLOSING REQUIREMENTS AND CONDITIONS**

9.1 Closing. Bond Counsel shall be responsible for coordination of the closing relative to the issuance of the Bonds, including recordings or filings to be made with any county recorder or Secretary of State and the Internal Revenue Service. Documents executed by the Directors and officers of the Authority will not be escrowed with parties other than representatives of the Authority prior to Closing without the prior approval of the Authority. All costs of closing shall be paid by the Applicant or paid from Bond proceeds, including all travel, lodging and meal costs incurred by Authority Counsel and any Director in connection with out-of-town closing.

9.2 Opinions of Counsel. All opinions of counsel shall be in form and substance acceptable to Authority Counsel and shall be contained in the Legal Proceedings.

9.3 Indemnity Agreement. As a further condition to the closing relative to the issuance of the Bonds, the Applicant and any Guarantor shall execute and deliver to the Authority an indemnity agreement in form and substance acceptable to the Authority under which each of the Indemnified Parties are indemnified and held harmless for, from and against (a) all errors and omissions of every nature whatsoever contained in any documents comprising the Legal Proceedings; (b) all misrepresentations or omissions pertaining to the financial condition of the Applicant; and (c) the offer and sale of Bonds.

9.4 Post-Issuance Compliance Procedures. The Applicant will be required to adopt the Authority's post-issuance compliance procedures with respect to the Bonds.

## **SECTION 10**

### **MISCELLANEOUS**

10.1 Trustee or Paying Agent. Applicant shall be responsible for hiring and paying the fees of any Trustee or paying agent, which fees shall be paid from Bond proceeds.

10.2 Conflict of Interest. The Authority and its Directors are subject to A.R.S. Sections 38-501 et seq. The Applicant shall take every precaution to learn of any potential conflict between itself and Directors, officers and employees of the Authority or any relative (as defined in A.R.S. Section 38-502.9) of any of the foregoing which might prohibit the Authority from completing the financing contemplated by the Applicant, especially where construction or other contracts may be executed prior to the authorization or issuance of the Bonds.

10.3 A.R.S. Section 38-511. A.R.S. Section 38-511, provides that the State, its political subdivisions (including the Authority) or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivision, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect

to the subject matter of the contract.

In addition to the right to cancel a contract, the State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract.

Notice of A.R.S. Section 35-511 shall be included in every contract to which the Authority is a party.

10.4 Allocation of Private Activity Bond Limit. Bond Counsel shall be responsible for preparing and filing with the Arizona Commerce Authority all applicable Requests for Allocation, Requests for Extension, Notices of Intent for Carryforward Projects and Certificates of Closing required by federal or State law.

10.5 Authority Meetings. The Authority generally holds Regular Meetings on the second Wednesday of each month at 8:30 a.m. (Phoenix time), subject to cancellation or change in date or time. The location of the Regular Meetings varies. In addition to Regular Meetings, the Authority, in its sole discretion, may schedule Special Meetings upon the written request of an Applicant.

10.6 Solicitation of Support. Applicants shall not contact Directors for the purpose of soliciting support or discussing Applications. Applicants may discuss their Applications with Authority Counsel.

10.7 Public Documents. The documents and records of the Applicant filed with the Authority will be available for inspection by the public. As a result, by filing the Application, the Applicant agrees that any information provided to the Authority by or on behalf of the Applicant is not privileged and may be disclosed to the public.

10.8 Minimum Requirements. These Procedures are deemed to set forth the minimum requirements of the Authority. The Authority reserves the right to add additional requirements on a case-by-case basis. The requirements contained herein pertain only to the Authority and are not exclusive.

**EXHIBIT A**

**THE INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE CITY OF SCOTTSDALE, ARIZONA**

**BOND FINANCING APPLICATION**

All capitalized terms used but not defined in this Application shall have the meanings set forth in The Industrial Development Authority of the City of Scottsdale, Arizona (“**Authority**”) Bond Application Procedures (the “**Procedures**”), which are incorporated by reference and constitute part of this Application. An Applicant seeking bond financing should provide the information requested below. A word version of this Application is available from Authority Counsel upon request.

By submitting this Application to the Authority, the Applicant is agreeing to comply with the Procedures and to pay to the Authority the Application Filing Fee and the other Authority fees and expenses set forth in Section 6 of the Procedures.

Please return the completed Application to the Authority, together with the required Application Filing Fee and the Financing Application Affidavit attached hereto to:

The Industrial Development Authority of the City  
of Scottsdale, Arizona  
c/o Roxann Gallagher, Authority Counsel  
Sacks Tierney P.A.  
4250 N. Drinkwater Blvd., Suite 400  
Scottsdale, Arizona 85251  
Phone: (480) 425-2673  
Email: [Roxann.Gallagher@SacksTierney.com](mailto:Roxann.Gallagher@SacksTierney.com)

**THE INDUSTRIAL DEVELOPMENT  
AUTHORITY OF THE CITY OF SCOTTSDALE, ARIZONA**

**BOND FINANCING APPLICATION**

Applicant: \_\_\_\_\_

Project Name: \_\_\_\_\_

Maximum Amount of Financing Requested (not to exceed) \_\_\_\_\_

Date Submitted: \_\_\_\_\_

**I. The Applicant**

- a. Please provide the Applicant's name, address, telephone number, email address and any other applicable contact information and if an Applicant representative is named, for such representative.
- b. Please disclose the ownership and structure of the Applicant (for example, is the Applicant a corporation or another form of entity, for profit or nonprofit entity, who are the owners or members). Please indicate if the Applicant is a nonprofit entity and an exempt organization pursuant to Section 501(c) of the United States Internal Revenue Code of 1986, as amended, and provide a copy of the Internal Revenue Service Determination Letter.
- c. The names of all executive or managing officers, directors, managing members, and general partners of the Applicant.
- d. Describe whether the Applicant has previously applied for bond financing before and if so, provide particulars.
- e. If the Applicant is currently rated or listed by any published rating agency, indicate the current rating of the Applicant?

**II. The Project**

- a. The location and a description of the proposed Project to be financed.
- b. The current ownership of the Project site or property and if other than the Applicant, describe the interest of the Applicant and the terms upon which the site will be acquired.
- c. Please describe the operator of the Project if it will not be operated by the Applicant.
- d. Please describe the anticipated impact of the Project on the City of Scottsdale, including the approximate number of persons to be employed at the Project, when completed and operational.

### **III. Plan of Finance**

- a. Please provide an overview of the total financing for the Project, including any equity contribution, related party financing or other sources of financing.
- b. Please provide the anticipated uses for bond financing and the total financing for the Project.
- c. Indicate whether the Bonds are to be sold in a private placement or in a public offering.
- d. Will the Applicant seek a rating on the Bonds from any rating agency? If so, provide the name or names of the rating agencies.
- e. Will the Bonds be credit enhanced and, if so, what type of proposed credit enhancement?
- f. Applicant should provide copies of Applicant's financial statements for the past two years (audited financial statements are to be provided if they exist).

### **IV. Timing**

- a. What is the anticipated closing date?
- b. Will the Applicant seek an inducement resolution?
- c. Will a TEFRA hearing be required?
- d. Describe any special timing issues that may affect the Project.

### **V. The Financing Team**

Please provide the names, addresses and contact information, if currently known, for each member of the proposed financing team for the Bond issuance, including:

- a. Applicant's legal counsel.
- b. Bond counsel.
- c. Applicant's financial advisor, if any.
- d. The designated placement agent or underwriter.
- e. The bond trustee, if any.
- f. The purchaser of the bonds if a private placement.

**VI. Required Disclosures**

- a. Describe any current, threatened or pending material litigation involving the Applicant, the Applicant's general partners, managing members or senior executives, as applicable.
- b. If any of the Applicant's officers, directors or partners have been convicted or are currently under complaint, charge or indictment for the alleged commission of a felony or have ever been charged or convicted of any civil, administrative or criminal offense regarding the issuance, sale or solicitation for sale of any type of security, the Applicant must disclose and provide full particulars to the Authority.
- c. The Applicant must disclose any actual or potential conflicts of interest with its officers, management, members or directors, parties to the financing, the Authority or the Authority's Board of Directors.

**VII. Verification**

This Application is supported by the Financing Application Affidavit.

Respectfully submitted,

Dated: \_\_\_\_\_

\_\_\_\_\_  
Name of Applicant

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

## FINANCING APPLICATION AFFIDAVIT

I, \_\_\_\_\_, the \_\_\_\_\_ of \_\_\_\_\_ (the “**Applicant**”), under penalty of perjury, state, affirm and agree as follows:

1. All facts and statements contained in the attached Financing Application and all Exhibits thereto are true and correct to the best of my knowledge and belief.

2. I know of no material adverse fact relating to the Applicant not mentioned in the Financing Application or the Exhibits thereto.

3. The Financing Application and all Exhibits thereto are in accordance with The Industrial Development Authority of the City of Scottsdale, Arizona (the “**Authority**”) Bond Application Procedures (the “**Procedures**”), and the Applicant consents to all investigations deemed reasonably necessary by the Authority as set forth therein.

4. The Applicant authorizes the release by the Authority and its Board of information concerning the Applicant as may be determined as reasonable or necessary by the Authority. The Applicant is aware of the State of Arizona’s conflict of interest statutes, Sections 38-501 et seq. of the Arizona Revised Statutes and certifies that no member of the Authority or the Scottsdale City Council, or any employee or associated staff thereof has a conflict of interest with the Applicant or the Project.

5. Whether or not the Applicant is granted preliminary approval, final approval, or whether the Bonds are issued as applied for, the Applicant agrees to pay all costs and expenses incurred by the Authority, including but not limited to expenses incurred in the payment of fees to the Authority Counsel and Financial Consultant, if any, related to the proceedings for the issuance of the Bonds. If Bonds are issued, the Applicant agrees to pay the Authority’s Annual Administrative Fee and the other costs and expenses described in Section 6 of the Procedures.

\_\_\_\_\_  
Name