

THE INDUSTRIAL DEVELOPMENT AUTHORITY

OF THE TOWN OF GILBERT, ARIZONA

PROCEDURAL PAMPHLET

As Amended through March 12, 2010

TABLE OF CONTENTS

	PAGE
SECTION 1 INTRODUCTION.....	1
SECTION 2 DEFINITIONS	2
SECTION 3 ELIGIBLE PROJECTS	5
SECTION 4 GUIDELINES ESTABLISHED BY THE AUTHORITY FOR ALL PROJECTS.....	6
4.1 Affirmative Action Notice	6
4.2 Tax Base Increase	6
4.3 Consistency with Town’s Development and Redevelopment Plans	6
4.4 Applicant’s Ability to Pay Debt Service	6
4.5 Equity Contribution.....	6
SECTION 5 GUIDELINES ESTABLISHED BY THE AUTHORITY FOR INDUSTRIAL AND COMMERCIAL PROJECTS.....	7
5.1 Employment Plan.....	7
SECTION 6 GUIDELINES ESTABLISHED BY THE AUTHORITY FOR HEALTH CARE INSTITUTION PROJECTS.....	7
6.1 Health Care.....	7
6.2 Employment Plan.....	8
6.3 Demand Study	8
SECTION 7 GUIDELINES ESTABLISHED BY THE AUTHORITY	8
SECTION 8 APPLICATION PROCEDURE.....	8
8.1 Form of Application and Filing Procedure.....	8
8.2 Oral Presentation – Attendance of Applicant at Meetings.....	9
8.3 Fees of the Authority.....	9

SECTION 9	APPROVAL AND ADOPTION OF LEGAL PROCEEDINGS	10
9.1	Preliminary Approval by the Authority.....	10
9.2	Extension of Preliminary Approval.....	10
9.3	Amendments to Preliminary Approval.....	10
9.4	Transfers of Preliminary Approval.....	10
9.5	Submission of Legal Proceedings.....	11
9.6	Public Hearing.....	11
9.7	Final Approval by the Authority.....	11
9.8	Final Approval by the Town Council	11
9.9	Extension of Final Award	12
9.10	Carryforward Projects	12
SECTION 10	PROVISIONS RELATING TO CONSTRUCTION OF PROJECTS	12
10.1	Construction Escrow	12
10.2	Construction Site Sign	12
SECTION 11	PRIVATE PLACEMENTS.....	13
SECTION 12	ACCURACY OF DATA – RESPONSIBILITIES OF PARTIES.....	13
12.1	Underwriter’s or Bond Purchaser’s Responsibility – Correctness of Statements	13
12.2	Accountant’s Consent	13
12.3	Arizona Corporation Commission Filing Requirement.....	13
SECTION 13	THE CLOSING	13
13.1	Out of Town Closings.....	13
13.2	The Closing	14
13.3	Opinions of Counsel.....	14
13.4	Indemnity Agreement	14
SECTION 14	MISCELLANEOUS.....	14
14.1	Hiring the Trustee or Paying Agent.....	14
14.2	Schedule of Meetings.....	14
14.3	Conflict of Interest	14
14.4	Filing with the Attorney General.....	14
14.5	Town Council Approval	14
14.6	Allocation of Private Activity Bond Limit.....	14
14.7	Solicitation of Support	15
14.8	A.R.S. Section 38-511.....	15

APPENDICES

APPENDIX A
APPENDIX B

FORM OF APPLICATION FOR AUTHORITY FINANCING
EMPLOYMENT PLAN GUIDE

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE TOWN OF GILBERT, ARIZONA
PROCEDURAL PAMPHLET
As Amended through March 12, 2010

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE TOWN OF GILBERT, ARIZONA

PROCEDURAL PAMPHLET

SECTION 1

INTRODUCTION

The Industrial Development Authority of the Town of Gilbert, Arizona (the “Authority”) was established to promote industry and develop trade as well as to stimulate and encourage the production, development and use of agricultural products and natural resources; to assist, financially and otherwise, in the rehabilitation, expansion and development of all kinds of businesses and industries which will promote and assure job opportunities; to promote the construction, improvement and equipping of residential real property for dwelling units; to provide affordable housing to all members of the community and to promote and assure an improved standard of living and an increase in prosperity and health in the Town.

The function of the Authority is to issue its Bonds, the proceeds of which are usually loaned to a qualified business (the “Applicant”) to finance a project designed to stimulate industrial, commercial or housing development (the “Project”), when the Authority is convinced that such a Project will lead to expanded job opportunities, income and tax base growth (when appropriate) or new housing for residents of the Town. The Authority does not provide its own money to Applicants. The Authority instead provides a formal mechanism through which an Applicant can seek financing from private sources through either a private or public offering of the Authority’s Bonds. This Procedural Pamphlet establishes the guidelines which are to be followed in applying to the Authority for the issuance of its Bonds.

Potential applicants should note that principal and interest on any Bonds issued by the Authority will be paid entirely by revenues generated by the Project. Bonds issued by the Authority will not be a general obligation or liability of either the Authority or the Town and will not result in a charge against the general credit or taxing power of either entity.

Generally, interest on Bonds issued by the Authority will qualify as tax-exempt for purposes of Federal and Arizona state income taxation depending on the purpose of the project, the nature of the Applicant, the structure of the financing and other important factors. The Code and the Act (as such terms are defined at Paragraphs 2.2 and 2.12) specify detailed criteria for making this determination including, without limitation, the requirement that none of the proceeds of the Bonds be used for working capital needs of the Applicant or the Project.

SECTION 2

DEFINITIONS

As used in this Procedural Pamphlet, the following terms have the indicated meanings:

- 2.1 “Accountant” means an independent certified public accountant as the term is defined in the 1933 Act.
- 2.2 “Act” means the Industrial Development Plans for Municipalities and Counties Act, Arizona Revised Statutes, Sections 35-701 through 35-761 inclusive, as amended.
- 2.3 “Applicant” means the Person seeking to have bonds issued on its behalf to purchase, construct or acquire one or more Projects.
- 2.4 “Arizona Blue Sky Law” means Arizona Revised Statutes, Sections 44-1801 through 44-2126 inclusive, as amended.
- 2.5 “Authority” means The Industrial Development Authority of the Town of Gilbert, Arizona.
- 2.6 “Blighted Area” has the meaning set forth in Arizona Revised Statutes, Section 36-1471(2), as from time-to-time amended.
- 2.7 “Board” means the Board of Directors of the Authority.
- 2.8 “Bond Counsel” means a law firm listed among the “Municipal Bond Attorneys of the United States” in the current edition of The Bond Buyer’s Directory of Municipal Bond Dealers of the United States and acceptable to the Authority. Applicant’s counsel may not serve as Bond Counsel except in the case of a private placement and then only with the express approval of the Authority. In the event Bond Counsel is not designated by the Applicant, Legal Counsel will serve as Bond Counsel.
- 2.9 “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.
- 2.10 “Carryforward Project” has the meaning set forth in Section 146(f) of the Code, as may hereafter be amended.
- 2.11 “Town” means the Town of Gilbert, Arizona.
- 2.12 “Code” means the Internal Revenue Code of 1986, as amended.
- 2.13 “Escrow Structure” means a financing structure in which Bond proceeds are invested in high-yielding securities for a period during which the Applicant attempts to obtain a credit enhancement sufficient to preserve the Authority’s required “AA” rating on the Bonds and during which time the interest on the high-yielding securities pays the interest and principal due on the Bonds.
- 2.14 “Financial Consultant” means a Person employed to advise an Applicant with respect to a financing and may mean a Person employed to assist in the sale of Bonds by competitive bid.

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

2.16 “Health Care Institution” has the meaning set forth in Arizona Revised Statutes, Section 36-401, as from time-to-time amended.

2.17 “Health Care Institution Preference Area” means any area within the Town designated as a Blighted Area, a Health Manpower Shortage Area, a Medically Underserved Area or a Slum Area.

2.18 “Health Manpower Shortage Area” has the meaning set forth in 42 United States Code, Section 254e(a)(1), as from time-to-time amended.

2.19 “Legal Counsel” means the law firm retained by the Authority to review all applications to determine a Project’s legal eligibility for Bond financing and review, for the Authority, all documents to be used in the Bond financing.

2.20 “Legal Proceedings” includes, in part:

(a) Any lease, loan agreement, purchase contract or note and any mortgage, deed of trust or other security instrument which is to be executed by the Applicant;

(b) The resolution of the Authority authorizing the issuance of the Bonds;

(c) Any trust indenture or similar trust instrument;

(d) All proposed Preliminary Official Statements and drafts of final Official Statements;

(e) A notice of sale if the Bonds are to be sold through competitive public bidding;

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

(g) Any Guaranty documents;

(h) The form of Bond Counsel’s opinion;

(i) The form of the Accountant’s comfort letter(s);

(j) Nonlitigation Certificate;

(k) Arbitrage Certificate;

(l) Treasurer’s or Trustee’s Receipt;

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

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

(o) Drafts of any instruments which the Authority must adopt or approve, or any member 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;

(p) A copy of the indemnity agreement or agreements;

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

(r) Affidavits of Publication of Notices of Public Hearings.

2.21 “Medically Underserved Area” has the meaning set forth in 42 United States Code, Sections 254e(b)(3), 300e-1(7) and 300s-3(14), and in Arizona Revised Statutes, Section 36-2352, as from time-to-time amended.

2.22 “Net Proceeds” means the amount of bond proceeds (including premium, if any) which are intended to be used in the purchase, construction of or acquisition of a Project but does not include bond discounts, accrued interest, costs or expenses of issuance, capitalized interest, reserve funds, or amounts used to pay a trustee’s or a paying agent’s fees.

2.23 “1933 Act” means the Securities Act of 1933, as amended.

2.24 “1934 Act” means the Securities Exchange Act of 1934, as amended.

2.25 “1939 Act” means the Trust Indenture Act of 1939, as amended.

2.26 “Official Statement” means a prospectus or offering statement concerning Bonds of the Authority or, where a sale by competitive public bidding is concerned, a notice of the sale of the Bonds.

2.27 “Person” means any person or any group of persons or any limited partnership, partnership, association, corporation, syndicate, joint venture, joint stock company or similar form of legal entity.

2.28 “Project” means any land, any building or other improvement, and all real and personal properties, including but not limited to machinery and equipment, whether in existence or under construction, whether located within or without the Town, which is authorized by the Act and the Code. Each phase of a multiphase Application or Project shall be considered to be a separate Project for all purposes.

2.29 “Project Costs” are costs to be incurred in the acquisition, construction, reconstruction, or improvement of property including land, building, equipment, architectural and engineering services, construction permits, and fees related to construction such as sewer hook-up and street improvement assessments.

In addition, other costs and expenditures associated with the Bonds such as financing fees, costs of issuance, bond reserves, capitalized interest, underwriter fees and any other costs associated with obtaining the Bonds will be considered to be Project Costs.

2.30 “Third Party Guarantor” means any Person other than the Applicant (including, without limitation, a parent, affiliate or subsidiary of the Applicant) who guarantees either the bonds or the underlying security for the bonds.

2.31 “Trustee” means a financial institution, trust company or other person appointed by the Applicant and acceptable to the Authority to oversee the proper use of bond proceeds.

2.32 “Underwriter” means any person who has, directly or indirectly, purchased or plans to purchase the Authority’s Bonds with a view to the public distribution of any of such Bonds.

2.33 “Underwriter’s Counsel” means the counsel for the Underwriters, if any. Underwriter’s Counsel will be required in any public offering. Underwriter’s Counsel should be a firm of national reputation in municipal bond law or securities law.

SECTION 3

ELIGIBLE PROJECTS

The Authority may issue its Bonds only to finance a Project which is specifically authorized by the Act. In addition, the requirements of Sections 141 through 150 of the Code and the Treasury Regulations promulgated thereunder must be met in order for the interest on the Authority’s Bonds to be exempt from federal income tax. There are also additional policy requirements and guidelines established by the Authority and the Town Council that must be met. Applicants with technical legal questions should contact Bond Counsel or Legal Counsel.

This Pamphlet will be considered to set forth minimum requirements and the Authority reserves the right to add additional requirements on a case by case basis. Likewise, the requirements stated herein may in appropriate circumstances be waived by the Authority. Town Council may impose additional requirements.

Until the Bonds are issued, the Authority reserves the rights, among others, 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 legal counsel, Accountant, Underwriter, Bond Purchaser, Financial Consultant, Bond Counsel, or appraiser;
- (d) Require corrections, deletions, changes, additions or amendments to any Legal Proceedings or Official Statement;
- (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.

It is the Authority's policy that all Bonds which are to be publicly placed must achieve a rating of "AA" or higher from Moody's Investor's Service, Inc. or a comparable rating organization, or be secured by an irrevocable letter of credit issued or confirmed by a bank rated "AA" or higher. This requirement is subject to modification at the Authority's direction, but in no event shall Bonds be approved for public offering with less than a rating of "BBB" or higher.

It is the Authority's policy to deny preliminary or final approval to Applications which contemplate the use of Escrow Structure Financing to finance a Project.

Section 146 of the Code imposes limits on the annual aggregate amount of private activity bonds which may be issued within each state. Applicants should confer with Bond Counsel regarding the applicability of such limits, the availability of allocations and the procedures by which an allocation shall be obtained.

The Authority reserves the right to deny preliminary and/or final approval to any Project based on projected shortages of, or prior reservations of allocations under, the state ceiling. The Authority shall have no duty or obligation to obtain any allocation or to make any carry-forward election of private activity bond limit as contemplated by the Code or any other federal legislation, any Executive Order of the Governor of the State of Arizona or Act of the Legislature of the State of Arizona for, with respect to, or affecting either a Project or the Bonds.

SECTION 4

GUIDELINES ESTABLISHED BY THE AUTHORITY FOR ALL PROJECTS

As a matter of policy the Authority will analyze each proposed financing for any project with respect to the matters set forth below (in addition to any applicable matters set forth in subsequent sections of this Procedural Pamphlet) before deciding whether to grant preliminary approval.

4.1 Affirmative Action Notice. An Affirmative Action Notice shall be obtained from the Town and shall be posted at all times during the pendency of the bond issue in the local personnel or administrative office of the Project.

4.2 Tax Base Increase. The Project should contribute to the Town's tax base and represent an appropriate use of the Project site. If the Project is the type of property exempt from property taxation under the provisions of Arizona Revised Statutes, Section 42-11101, *et. seq.*, the tax base increase requirement would not be applicable.

4.3 Consistency With Town's Development and Redevelopment Plans. The Project must be consistent with the long-term development and redevelopment plans of the Town.

4.4 Applicant's Ability to Pay Debt Service. There must be sufficient reason to believe that the Applicant has the financial ability to repay the principal and interest on the Bonds.

4.5 Equity Contribution. Each Applicant shall be required to make an equity contribution in form and amount acceptable to the Authority unless such requirement is waived by the Authority. The equity contribution ordinarily shall be 10% of the Project Costs.

SECTION 5

GUIDELINES ESTABLISHED BY THE AUTHORITY FOR INDUSTRIAL AND COMMERCIAL PROJECTS

As a matter of policy the Authority will analyze each proposed financing for industrial and commercial projects with respect to the matters set forth below before deciding whether to grant preliminary approval.

5.1 Employment Plan. Applicants must agree, in their Application, to provide the Authority with an Employment Plan. The purpose of an Employment Plan is to assure that the proceeds of the Bonds are directed to those Applicants who are willing to employ unemployed workers in some of the new permanent jobs which will be created at their facilities.

The Employment Plan must be prepared by the Applicant and must be reviewed and approved by the Town's Business Development Division. The Plan must include a description of the following:

- (a) Number, classification, and estimated salary range of jobs to be created;
- (b) Procedures to be followed for recruiting, training and placing persons;
- (c) Job skill requirements of new employees;
- (d) Appropriate local training and placement programs; and
- (e) Timetables for job availability, training and placement.

The Employment Plan must be submitted to the Town's Business Development Division for a review and approval no more than 30 calendar days after preliminary approval of the Application. A copy of the approved Employment Plan must be submitted to the Authority no fewer than 15 business days prior to the date scheduled for final approval.

Further information concerning the establishment of an Employment Plan may be obtained from the Town's liaison to the Authority.

SECTION 6

GUIDELINES ESTABLISHED BY THE AUTHORITY FOR HEALTH CARE INSTITUTION PROJECTS

As a matter of policy the Authority will analyze each proposed financing for a Health Care Institution Project with respect to the matters set forth below before deciding whether to grant preliminary approval. Generally, for interest on bonds to be tax-exempt pursuant to Section 145 of the Code, health care facilities must be owned by either a 501(c)(3) organization or a governmental unit.

6.1 Health Care Institution Preference Areas. The Authority's policy is to issue its Bonds to encourage the location of Projects principally in Health Care Institution Preference Areas in order to assist the Town in its goals of furthering the general health, safety and welfare of its citizens,

encouraging job growth, increasing income, expanding the tax base and encouraging the development of urban villages.

6.2 Employment Plan. Applicants for Health Care Institution financing must agree, in their Application, to provide the Authority with an Employment Plan. The requirements for the Employment Plan and the Authority's policies with respect thereto are the same as those described at Paragraph 5.1 for industrial and commercial projects.

6.3 Demand Study. Unless waived by the Authority in instances such as private placements or in a refinancing in which a financial feasibility study is not required by the rating agencies, whenever a Health Care Institution is to be financed and the Bonds are to be secured by the revenues and assets of the Health Care Institution, prior to the earlier of the publication of a Preliminary Official Statement or the adoption of the Official Statement, the Applicant must procure and deliver to the Authority a demand study (if new construction is contemplated) and a financial feasibility study (where either new construction or the refinancing of existing permanent financing is contemplated) prepared by a nationally recognized firm of hospital consultants, engineers, architects or accountants having a proven reputation in the field of health care finance.

SECTION 7

GUIDELINES ESTABLISHED BY THE AUTHORITY FOR REFUNDING REQUESTS

The Authority has established additional policies and procedures for purposes of all requests for refunding bond issues. The policies and procedures may be obtained from Legal Counsel upon request.

SECTION 8

APPLICATION PROCEDURE

8.1 Form of Application and Filing Procedure. The Authority requires all prospective Applicants to submit a complete application before the Authority will consider preliminary approval of an Application. The form of Application is attached as Appendix A. The purpose of the Application is to provide the Authority sufficient data to act on the Applicant's request for preliminary approval. The Authority will have each Application reviewed by its Legal Counsel, Financial Representative and by Town staff, and by any other persons it deems necessary prior to the meeting. Legal Counsel, Financial Representative and Town staff will report to the Authority on the results of their reviews at the same meeting at which the Authority hears the Applicant's oral presentation.

Legal Counsel must receive all application materials no fewer than 15 business days prior to the meeting at which preliminary approval is requested. Applicants seeking to submit an Application subsequent to the 15-business-day deadline must apply to the President of the Authority, setting forth the reasons for the late filing and demonstrating that a delay would impose undue hardship on the Applicant. Acceptance of a late filing is at the discretion of the President of the Authority.

8.2 Oral Presentation - Attendance of Applicant at Meetings. The Authority requires that a representative of the Applicant be present to provide an oral presentation concerning the proposed Project and its financing at each Authority meeting at which preliminary approval, final approval or a request for extension of either preliminary or final approval will be considered. If a representative is not present, the Authority will not consider the requested action at that time and will defer action to a subsequent meeting. The representative must be prepared to answer any questions raised by the Authority, its Legal Counsel or Financial Representative relating to the Project, the issuance of the Bonds, the information contained in financial statements or any other related documents. If the answers appear inadequate, the Authority may postpone action on the resolution granting preliminary approval or authorizing the issuance of the Bonds until it is satisfied with the answers despite the fact that any agreements or approvals or understandings may have indicated to the Applicant that the approval or resolution would be adopted on a particular date.

8.3 Fees of the Authority.

(a) General Filing Fees. The Authority requires fees from each Applicant in order to cover its administration expenses. The filing fee for each Application is \$3,000. The first \$1,500 shall be paid when the Application is filed and the \$1,500 balance is due within 10 days after the date the Authority gives its preliminary approval to the Project. If preliminary approval is denied, no further filing fees beyond the initial \$1,500 will be required; however, if the Application is resubmitted and preliminary approval is denied a second time, the Applicant must pay an additional \$1,500 before resubmitting the Application a third time. If the Application is resubmitted and preliminary approval is subsequently given, the \$1,500 balance shall be paid within 10 days following the preliminary approval.

If the Applicant requests an extension of preliminary or final approval, an additional fee of \$500 will become payable at the time such extension is requested. The additional fee is payable each time an extension is requested.

With respect to Carryforward Projects, a \$500 filing fee will become payable each time the status report required by Section 10.10 is due.

(b) Fees for Review of Application. The Applicant must also agree to pay, on a monthly basis, all costs and expenses incurred by the Authority, including the fees of its Legal Counsel and Financial Representative related to the review of the Application, review of Legal Proceedings and the issuance of the Bonds. Applicant should consult with Legal Counsel and Financial Representative with respect to their respective payment terms and retainer requirements.

(c) Annual Billing. The Applicant, if successful in securing Bonds, will be billed annually for its share of the administrative expenses of the Authority. Copies of all invoices shall be sent to the applicable bond trustees. No Applicant making an Application under this edition of the Procedural Pamphlet will be billed in excess of \$3,000 or less than \$500 for any year or fiscal year. The fee for the Authority's fiscal year ended June 30, 2009 is \$1,000 for each Project for which Bonds were issued in a previous fiscal year. Legal Proceedings shall provide that an Applicant's failure to pay such fees within 90 days of the invoice date shall constitute an event of default. No billing will be in an amount which would cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and Treasury Regulations promulgated hereunder. Therefore, some billings may be less than the minimum and some Applicants may pay a smaller proportion of the administrative expenses than others.

SECTION 9

APPROVAL AND ADOPTION OF LEGAL PROCEEDINGS

9.1 Preliminary Approval by the Authority. The Authority shall adopt a resolution either conditionally granting or denying preliminary approval with respect to each Application. If the Authority gives preliminary approval for the financing of the Project, the Applicant will be so notified in writing. The preliminary approval may be subject to such conditions as the Authority, in its discretion, may require. Except with respect to a Carryforward Project, the Authority's preliminary approval will expire in 180 days or such other time period as the Authority may direct in its proceedings unless within that time final approval has been granted by the Authority or an extension of preliminary approval (see Section 10.3) has been obtained. Preliminary Approval may be granted or denied by a team consisting of the Town's Bond Council, the GIDA President or designee and Gilbert's staff liaison, currently the Business Development Manager meeting in concert with the Applicant.

9.2 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 10 calendar days prior to the meeting at which the extension is requested the filing fee set forth in Section 9 and the original and 14 copies of a notarized affidavit requesting an extension and setting forth: (a) the date preliminary approval was granted; (b) the extension period requested; (c) the number of extensions previously granted; and (d) the reasons for the delay in the Project. Current compliance with all applicable provisions of this Procedural Pamphlet, including Section 9.3 "Fees of the Authority," is required for consideration by the Authority of a request for extension. Extensions of time in which to seek final approval ordinarily shall be granted for a period of 180 days after the expiration date of the original preliminary approval. The Authority reserves the right to deny requests for extension as well as the right to grant longer extensions on an individual Project basis.

9.3 Amendments to and Transfers of Preliminary Approval. The Applicant may request an amendment to preliminary approval by submitting 17 copies of the requested amendment to the Authority no fewer than 15 business days prior to the meeting at which consideration of the amendment is requested. Any request for amendment of the principal amount of Bonds to be issued, the Applicant's equity contribution or any information contained in Section 4.2 of the Application must include a "variance analysis" which sets forth the information originally submitted in Section 4.2, the proposed challenges, and a line item justification of each such change. Amendments to preliminary approval may be requested in conjunction with a request for final approval, provided, however, that all information in support of the amendments is provided to the Authority as set forth herein.

9.4 The Applicant may request a transfer of preliminary approval by submitting each of the following items to the Authority no fewer than 15 business days prior to the meeting at which consideration of the transfer is requested:

- 1) Letter from the Applicant requesting the transfer of the preliminary approval;
- 2) Request for transfer by the proposed transferee;
- 3) A revised Section 2 of the Application, setting forth all information regarding the proposed transferee which is required of an original Applicant; and
- 4) The Form of Affidavit set forth in Section 11 of the Application, signed by the proposed transferee.

The Authority generally does not require any additional filing fees in connection with a request for amendment or transfer. However, the Authority reserves the right to designate as a new Application any transfer of preliminary approval which incorporates substantive changes from the size, nature, design, use and/or intent of the Project as originally approved, subject to all fees, policies and requirements applicable to new Applications.

The Authority requires that a representative of the Applicant and the proposed transferee, where applicable, be present to provide an oral presentation concerning the proposed amendment or transfer at the meeting at which the Authority will consider such action.

9.5 Submission of Legal Proceedings. The Applicant should coordinate with Bond Counsel to request a date before expiration of the Authority's preliminary approval for the approval and adoption of the Legal Proceedings. Two complete copies of the Legal Proceedings must be submitted to the Authority at least 15 business days prior to the date set for final approval in case of Legal Counsel.

Any applicable Employment Plan and Public Purpose Agreement also must be approved by the Town of Gilbert at least 15 business days prior to the date set for final approval.

The Legal Proceedings will be referred to Legal Counsel and Financial Representative for review. A copy of written standards used by Legal Counsel in reviewing the Legal Proceedings submitted for approval by the Authority is available and will be distributed to Bond Counsel on request. Legal Counsel and Financial Representative will work with Bond Counsel, the Applicant, Applicant's Counsel, the Underwriter or Bond Purchaser, Underwriter's or Bond Purchaser's Counsel (if any) and the Applicant's Accountant and shall report to the Authority any changes deemed appropriate prior to the date set for adoption of the proceedings.

9.6 Public Hearing. Section 147(f) of the Code requires that before final approval of industrial revenue bonds can be granted, a public hearing must be held granting all interested parties an opportunity to express opposing views. Public hearings are conducted by Town staff. Bond Counsel and Applicants should contact Town staff to schedule a public hearing.

9.7 Final Approval by the Authority. The Authority shall adopt a resolution either granting or denying final approval of each Application. Current compliance with all applicable provisions of this Procedural Pamphlet, including Section 8.3, "Fees of the Authority," is required for hearing by the Authority of a request for final approval and adoption of the Legal Proceedings.

Except with respect to a Carryforward Project, the Authority's final approval will expire on the 90th day following final approval unless the Bonds have been issued or an extension of final approval (see Section 10.9) has been approved by the Authority on or before that date.

9.8 Final Approval by Town Council. After final approval has been granted by the Authority, the Application will be referred to the Town Council for its final approval at the next available regularly scheduled formal meeting of the Town Council or on such other date as may be requested by the Applicant. The Town Council will not consider final approval of the Application sooner than 20 days after final approval by the Authority.

9.9 Extension of Final Approval. Except with respect to a Carryforward Project, the Applicant may request an extension of final approval by submitting to the Authority no fewer than 10 calendar days prior to the meeting at which the extension is requested the filing fee set forth in Section 9.3 and the original of a notarized affidavit requesting the extension and setting forth: (a) the dates preliminary and final approval were granted; (b) the extension period requested; (c) the number of extensions of final approval previously granted; and (d) the reasons for the delay in the Project. Current compliance with all applicable provisions of this Procedural Pamphlet, including Section 9.3, "Fees of the Authority," is required for consideration by the Authority of a request for extension of final approval.

Extensions of time in which to issue the Bonds ordinarily shall be granted for a period of 90 days after the scheduled expiration date of the final approval. The Authority reserves the right to deny requests for extension as well as the right to grant longer extensions on an individual Project basis.

9.10 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 law 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 this Procedural Pamphlet 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 10

PROVISIONS RELATING TO CONSTRUCTION OF PROJECTS

10.1 Construction Escrow. In all Projects where construction is contemplated or in progress when the Bonds are issued, provisions acceptable to the Authority in the Legal Proceedings must provide for the retention of construction monies by a Trustee. The Trustee must be qualified to do business in the State of Arizona or consent to service of process of the Arizona courts.

10.2 Construction Site Sign. For all Projects where construction is contemplated or in progress when the Bonds are issued, a sign, the design for which must be obtained from Town staff, must be posted at the Project site, clearly visible from the roadway, which indicates that the Project has been authorized through The Industrial Development Authority of the Town of Gilbert, Arizona.

SECTION 11

PRIVATE PLACEMENTS

In the event of a private placement, the Bonds must be purchased by a financial institution acceptable to the Authority. The Authority may waive certain appraisal and guaranty requirements if such terms are not required by the Bond Purchaser.

The Applicant must appoint a Trustee acceptable to the Authority which may be the Bond Purchaser, if qualified, to fulfill certain duties as set forth in the Legal Proceedings. The Authority may waive the requirement under extraordinary circumstances. The Trustee must be qualified to do business in the State of Arizona or consent to service of process of the Arizona courts.

SECTION 12

ACCURACY OF DATA - RESPONSIBILITIES OF PARTIES

12.1 Underwriter's or Bond Purchaser's Responsibility-Correctness of Statements. Accuracy of the Official Statement will be the joint responsibility of the Applicant and any Underwriter. The Applicant and either the Underwriter or, in the case of private placement, the Bond Purchaser shall have the responsibility of assuring themselves that the statements attributed to the Applicant in any Official Statement or sale agreement are substantially true and correct and that they do not contain any material misrepresentations of fact or omit any material information. By agreeing to act as Underwriter or Bond Purchaser, the Underwriter or Bond Purchaser shall be deemed to have read this Pamphlet and agreed to its terms.

12.2 Accountant's Consent. If the Official Statement contains audited financial statements of the Applicant or Guarantor, the Applicant or Guarantor must obtain a manually executed statement from each Accountant or Accountants who certified such financial statements, representing that the Authority may rely on such statements and may incorporate the statement in the Official Statement.

12.3 Arizona Corporation Commission Filing Requirement. A "notice of proposed offering" is 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 Section 44-1843.01, Arizona Revised Statutes. The filing of the "notice of proposed offering" shall be the joint responsibility of the Applicant and any Underwriter.

SECTION 13

THE CLOSING

13.1 Out of Town Closings. Out of town closings which require the presence of Authority members must be requested prior to the last official act of the Authority and must be approved by the Authority. All costs of closing (including travel and hotel for out of town closings) will be paid by the Applicant or paid from Bond proceeds. Documents executed by Authority members or officers will not be escrowed with parties other than representatives of the Authority prior to closing without Authority approval.

13.2 The Closing. Bond Counsel shall be responsible for recordings or filings to be made with any County Recorder, the office of Economic Planning and Development, the Arizona Department of Commerce or the Secretary of State. When liens on or revenues from operations of real property secure the Bonds, closings will be conditioned upon proof of issuance of a title insurance policy or a commitment to issue a title insurance policy insuring ownership of the Project in the person who is required to hold legal title to the Project throughout the term of the Bonds. Title insurance policies shall be ALTA policies and must be issued by title insurance companies doing business in Arizona which are acceptable to the Authority. It will be the responsibility of the Applicant to acquire and pay for such policies.

13.3 Opinions of Counsel. All legal opinions shall be in a form and substance acceptable to Legal Counsel.

13.4 Indemnity Agreement. As a further condition to closing, the Applicant and any third-party Guarantor must execute and deliver to the Authority an indemnity agreement acceptable to the Authority.

SECTION 14

MISCELLANEOUS

14.1 Hiring the Trustee or Paying Agent. Applicant will be responsible for hiring and paying the charges of any trustee or paying agent; however, the trustee or paying agent may agree to be paid from Bond proceeds or revenues payable to the Authority by the Applicant.

14.2 Special Meetings. Special meetings can be held where circumstances require. Generally, at least seven days' notice must be given to the Authority so that the Board members can be polled to determine if a quorum can be obtained.

14.3 Conflict of Interest. The Authority and its members are deemed to be subject to Arizona's Conflict of Interest Law (Arizona Revised Statutes, Section 38-501 *et seq.*). The Applicant should take every precaution available to learn of any possible conflict between itself and directors, officers or employees of the Authority or any "relative" (as defined in the Conflict of Interest Law) of any of the foregoing which might prohibit the Authority from completing the financing, especially where construction or other contracts may be signed before the Bonds are authorized or issued.

14.4 Filing with the Attorney General. Legal Counsel shall deliver the description of each Project proposed to be financed by the Authority's Bonds to the Arizona Attorney General as required by A.R.S. § 35-721(F).

14.5 Town Council Approval. Final Approval of an Application shall be by the Town Council. Approval of any Application or adoption of any or all proceedings by the Authority shall not be deemed a "recommendation" that the Council approve the proceedings. Bond Counsel or the Applicant should consult with Town staff regarding presentation of the Project, the plan of Finance and other information contained in the Application to the Council.

14.6 Allocation of Private Activity Bond Limit. Bond Counsel shall be responsible for preparing and filing with the Arizona Department of Commerce all applicable Requests for Allocations, Requests for Extensions, Notices of Intent, and Certificates of Closing required by any Federal or state legislation or Executive Order of the Governor of Arizona.

14.7 Solicitation of Support. It is the Authority's policy that Applicants not initiate contact with individual members of the Authority for the purpose of soliciting support for or discussing their Applications without first contacting Legal Counsel to determine the current policy of the Board on such contacts. Applicants may discuss Applications with Legal Counsel to the Authority and its Financial Representative, and with individual Authority members who request information, which information will be reported to the full Authority at the time the Application is considered.

14.8 A.R.S. Section 38-511. As required by the provisions of A.R.S. § 38-511, as amended, notice is hereby given that the State of Arizona (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 subdivisions, 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.

The cancellation by the State or its political subdivisions shall be effective when written notice from the governor or the chief executive officer or governing body or the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The cancellation by any department or agency of the State or its political subdivisions shall be effective when written notice from such party is received by all other parties to the contract unless the notice specifies a later time.

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. § 38-511 shall be included in every contract to which the Authority is a party.

APPENDIX A

THE INDUSTRIAL DEVELOPMENT AUTHORITY

OF THE TOWN OF GILBERT, ARIZONA

FORM OF APPLICATION FOR
AUTHORITY FINANCING

TOWN OF GILBERT
INDUSTRIAL DEVELOPMENT AUTHORITY
APPLICATION

INSTRUCTIONS FOR PREPARATION OF APPLICATION FOR BOND FINANCING

PRE-APPLICATION MEETING

Refer to the Procedural Pamphlet for detailed Bond Program information and definitions.

Prior to completing an application, the Authority highly recommends that potential applicants contact the Town's Business Development Division for a pre-application meeting.

SUBMISSION INSTRUCTIONS

Please submit one (1) signed and dated original, six (6) hard copies and one (1) electronic copy (pdf format preferred) of the completed Application, including attachments, to the Authority and to Legal Counsel at the following addresses:

Town

The Industrial Development Authority of the Town of Gilbert, Arizona
c/o Dan Henderson, Business Development Manager
Gilbert Business Development
90 E Civic Center Dr
Gilbert, AZ 85296

Legal Counsel

John S. Overdorff
Greenberg Traurig, LLP
2375 E. Camelback Road
Suite 700
Phoenix, Arizona 85016
overdorffj@gtlaw.com
Business: (602) 445-8463
Fax: (602) 445-8100

Applications must be received at least **15 business days** prior to the meeting at which consideration is requested. Applications must be complete, including the \$1,500 application fee.

AUTHORITY MEETINGS

The Authority schedules meetings as necessary. Unless otherwise stated in the published agenda, meetings are generally located at Municipal Office Building II, 90 E. Civic Center Drive, Gilbert, Arizona 85296.

A representative of the Applicant must attend, in person or by telephone, all meetings at which the Application is to be considered in order to provide a brief oral presentation of the proposed Project and its financing and to be available to answer questions. The Authority reserves the right to defer consideration of the requested action if an Applicant representative is not present.

APPROVALS

Application requests for bond financings are required to be brought before the Authority for both preliminary and final approval. Exceptions may be allowed by the Authority in its sole discretion. Both preliminary and final approvals are subject to such conditions as the Authority, in its discretion, may require.

Section 147(f) of the Internal Revenue Code of 1986 requires that a public hearing be held, after sufficient notice, giving all interested parties an opportunity to express opposing views. The Applicant should have Bond Counsel contact the Town's Business Development Division as soon as possible regarding the coordination of the public hearing. A representative of the Authority will conduct the hearing, but it need not coincide with the Authority meeting. The hearing must be held prior to the Gilbert Town Council approval of the issuance of the Bonds.

After final approval has been granted by the Authority, the proposed Bond issuance is referred to the Gilbert Town Council for its final approval at the next available regularly scheduled formal meeting of the Town Council. The Applicant must receive final approval of the Bonds from Gilbert Town Council prior to closing.

The meeting and the approval dates usually occur in the following order:

1. Preliminary Approval by the Authority
2. Public Hearing (Code § 147(f)) by Authority Representative
3. Final Approval by the Authority
4. Final Approval by the Gilbert Town Council

AUTHORITY'S FEES

A Fee Schedule is available upon request.

AUTHORITY GUIDELINES FOR APPROVAL

As a matter of policy, the Authority will analyze proposed financing for any Project with respect to the matters set forth in the Procedural Pamphlet.

RIGHTS OF AUTHORITY

Until the financing documents are executed and delivered by the Authority for the benefit of an Applicant, the Authority reserves the right to request additional information, reject the Application for any reason, reject the choice of counsel or agents to be involved in the financing, postpone consideration of the Application, require changes in the legal proceedings or disclosure documentation relating to the proposed financing, waive conditions or requirements set forth in these Instructions, and impose any other reasonable requirements with respect to the proposed financing.

PUBLIC NATURE OF APPLICATION PROCESS

The Application and other materials submitted to the Authority will be available for inspection by the public. By filing the Application, the Applicant agrees that any information submitted to the Authority on its behalf is not privileged or confidential and may be disclosed to the public.

SUBMISSION OF ALL RELEVANT DOCUMENTS AND INFORMATION

By filing the Application, the Applicant agrees to disclose any and all matters that could in any way be material to the proposed financing to the Authority and to all potential purchasers. In particular, and without limiting the generality of the foregoing, the Applicant agrees to provide to the Authority, at least **14 days in advance of final approval, substantially final forms** of any loan agreement, purchase contract, note, mortgage, deed of trust, security instrument, trust indenture, offering document, guaranty, letter of credit and any other agreement applicable to the transaction.

The Town's Business Development Division and Legal Counsel will review the proceedings, as appropriate, and will work with the Applicant, Bond Counsel and the financing team professionals regarding required changes to the documents and legal proceedings.

All legal opinions must be in a form and substance acceptable to the Authority.

PURCHASE AND SALE DOCUMENTATION

The Applicant and the purchaser or underwriter have the responsibility of ensuring that the statements contained in any offering and sale document are true and correct and that they do not contain any material misrepresentations of fact or omit any material information. The Authority shall have no responsibility for the accuracy or content of the disclosure document, except for the sections directly pertaining to the Authority. By filing an Application or by agreeing to act as purchaser or underwriter, the Applicant and the purchaser or underwriter agree to these terms.

The Authority requires that the Applicant covenant to assume the ongoing disclosure obligations required by SEC Rule 15c2-12 is in a form and substance satisfactory to the Authority.

If the financing is to be offered publicly, an investment grade rating of at least "A" from a nationally recognized rating agency must be obtained. If such a rating is not obtained, (a) the offer and sale must be limited to "accredited investors" within the meaning of Rule 501 of Regulation D, but excluding natural persons, or "qualified institutional buyers" within the meaning of Rule 144A, promulgated under the Securities Act of 1933, (b) the Authority must receive investment letters from such purchasers in form and substance satisfactory to the Authority, and (c) any subsequent transfers and resales of the Bonds must be similarly restricted to accredited investors or qualified institutional buyers.

Any filing with the Securities Division of the Arizona Corporation Commission, required by Arizona Revised Statutes §44-1841 in connection with offering the Authority's Bonds for public sale is the responsibility of the Applicant and the Underwriter.

QUESTIONS CONCERNING PROCESS AND APPLICATION

It is the Authority's policy that Applicants not initiate contact with individual members of the Authority for the purpose of soliciting support for or discussing their Applications without first contacting the Town's Business Development Division to determine the current policy of the Board on such contacts. Applicants may discuss Applications with the Town's Business Development Division to the Authority and its Legal Counsel, and with individual Authority members who request information, which information will be reported to the full Authority at the time the Application is considered.

Any questions concerning this Application or the process of obtaining financing from the Authority should be directed to the Town's Business Development Division.

OTHER INFORMATION

Applicants are encouraged to include any additional information relating to the Project or proposed financing that the Applicants deem beneficial or informative. To provide full and complete responses to the questions in the Application, Applicants may include such information in the form of attachments or exhibits to the Application, as long as the Applicants clearly reference such attachments or exhibits with the appropriate sections and question numbers.

In connection with the review of this Application, the Applicant agrees to provide additional information to the Authority and/or their representative(s) upon reasonable request.

APPLICATION FOR BOND FINANCING

Name of Applicant Institution

Contact Person for Financing

Title

Address 1

Address 2

Telephone Number

Facsimile Number

E-mail Address

Maximum Amount of Requested Financing (not to exceed): \$ _____

Name of Proposed Bonds: _____

Date of Application: _____, 20____.

DOCUMENTS AND OTHER INFORMATION TO BE SUPPLIED WITH THE APPLICATION

The following documents and information are to be submitted with one (1) original, six (6) hard copies and one (1) electronic copy (pdf format preferred) of this Application. An Application cannot be approved unless all documents and information are submitted with the Application.

Check for \$1,500 application fee made out to The Industrial Development Authority of the Town of Gilbert, Arizona.

Articles of Incorporation and Bylaws (Tab ____)

List of Officers and Directors of Applicant (Tab ____)

List of Management Personnel (Tab ____)

For 501(c)(3) organizations: Copy of IRS Tax Exemption Letter (Tab ____)

Audited financial statements for the past three years (Tab ____)

Most recent interim un-audited financial statements (Tab ____)

Most recent annual report (Tab ____)

Current rating sheets, if any (Tab __)

Prior offering statement, if any (Tab __)

Project sketch or site plan (Tab ____)

Debt service schedule (Tab ____)

Three years of financial projections (Tab ____)

APPLICANT TO PROVIDE FURTHER INFORMATION UPON REQUEST

In connection with the review of this Application, the Applicant agrees to provide additional information to the Authority and/or its representative(s) upon reasonable request.

SECTION 1

IDENTITY OF PARTICIPANTS

1.1 Applicant's Legal Name:

Business Address:

Principal Contact(s):

Telephone Number(s) of Contact(s):

1.2 Applicant's Legal Counsel:

Business Address:

Principal Contact:

Telephone Number of Contact:

1.3 Bond Purchaser or Underwriter:

Business Address:

Principal Contact:

Telephone Number of Contact:

1.4 Bond Purchaser's or Underwriter's Counsel:

Business Address:

Principal Contact:

Telephone Number of Contact:

1.5 Applicant's Certified Public Accountant:

Business Address:

Principal Contact:

Telephone Number of Contact:

1.6 Suggested Bond Counsel:

Business Address:

Principal Contact:

Telephone Number of Contact:

1.7 Name of Guarantor (Specify whether a corporation, limited or general partnership, or individual. NOTE: Guarantor must also submit the information requested in Section 2 of this Form of Application.):

Business Address:

Principal Contact:

Telephone Number of Contact:

1.8 Suggested Trustee:

Business Address:

Principal Contact:

Telephone Number of Contact:

1.9 Suggested Trustee's Counsel:

Business Address:

Principal Contact:

Telephone Number of Contact:

1.10 Suggested Financial Feasibility Consultant:

Business Address:

Principal Contact:

Telephone Number of Contact:

SECTION 2

INFORMATION REGARDING THE APPLICANT

[The information required by this Section shall
also be provided by any Guarantor.]

2.1 Applicant's form of business organization (check one): Corporation___ Limited Liability Corporation ___ General Partnership ___ Limited Partnership ___ Sole Proprietorship___. List date of formation and state where incorporated or organized.

2.2 Provide a brief description and history of Applicant's business.

2.3 Ownership: List all Persons having a 10% or greater interest, direct or indirect, in the Applicant.

2.4 If any Person named in your response to Section 2.3 owns, directly or indirectly, more than 50% of the Applicant, list all other Persons who are related, within the meaning of Section 144(a)(3) of the Code, to that Person.

2.5 Names, titles, and home addresses of the officers and directors or the partners of the Applicant.

2.6 Describe any material litigation involving the Applicant or, if the Applicant is a partnership, its general partners. If a Limited Liability Corporation, its Managing Member(s).

2.7 If the Applicant or any of the Applicant's officers, directors, general partners, managing members or any Person listed in answer to Section 2.3 has been charged or convicted of a felony or a misdemeanor involving moral turpitude, or is now or has ever been charged with or convicted of any civil or criminal offense relating to the conduct of the business of the Applicant or any similar Person or from the issuance, sale or solicitation for sale of any type of security, the Application must so state.

2.8 Attach copies of the following reports:

2.8.1 All financial statements prepared in accordance with generally accepted accounting principles by a certified public accountant for the Applicant's three most recently completed fiscal years, except that if the Applicant has been in business less than three years, such financial statements for such shorter period. Personal financial statements may be presented in nonstandard format and may utilize historical costs with market values allowed as supplemental information (provided information as to how the market values were determined is included). The personal statements must be prepared by a C.P.A. or signed by the Applicant or his agent. If the financial statements were prepared more than six months prior to the date of the Application, then the Applicant must also submit an interim financial statement.

2.8.2 The most recent quarterly unaudited financial statements and the most recent report on Form 10Q, if applicable.

2.8.3 The Applicant's most recent annual report.

2.8.4 The most current rating sheet(s), if any debt securities of the Applicant are rated, and any changes in rating within the past two years.

2.8.5 Any prospectus, private placement memorandum, offering statement or offering circular prepared within the last three years pertaining to the Applicant or any related person.

2.9 Are any of the Applicant's securities publicly traded? Yes ___ No ___. If so, with respect to each such security list:

2.9.1 Current market price.

2.9.2 Previous year's high and low market prices.

2.10 Attach a copy of the Applicant's articles of incorporation and bylaws.

SECTION 3

PROJECT INFORMATION

3.1 Project Name.

3.2 Location of Project, including address and legal description.

3.3 Provide a detailed description of the Project.

3.4 Explain the public purpose to be served by the Project and the basis for qualification under Section 141(e) of the Internal Revenue Code of 1986, as amended.

3.5 Attach a legible sketch or site plan of the Project site indicating major north-south and east-west arterials, dimensions of the site and the orientation on the site of the proposed structures.

3.6 Describe current zoning at the proposed site and any related Town of Gilbert restrictions and any zoning changes or use permits required.

3.7 Project site:

3.7.1 Indicate approximate size (in gross and net acreage or square footage) of Project site.

3.7.2 Indicate present use of Project site.

3.7.3 Indicate present owner of Project site.

3.7.4 If the Applicant now owns the Project site, indicate the date of purchase, purchase price, balance of existing mortgage and holder of mortgage(s).

3.8 If the Applicant is not now the owner of the Project site, does the Applicant have an option or contract to purchase the site and any buildings on the site? If yes, indicate date of option agreement or contract, purchase price, the expiration date of the option, and/or the closing date.

3.9 If the Applicant intends to lease the Project site, indicate the owner of the Project site, the term of the lease, a summary of the renewal provisions and rent payable. Attach a copy of the lease.

3.10 Is there a blood or legal relationship or common control or ownership between the Applicant and the seller, lessor or lessee of the Project site? If yes, describe.

3.11 Does the Project involve acquisition of an existing building or buildings? If yes, indicate number and size of buildings.

3.12 Does the Project consist of the construction of a new building or buildings? If yes, indicate number and size of new buildings.

3.13 Does the Project consist of additions and/or renovations to existing buildings? If yes, describe nature of expansion and/or renovation.

3.14 If any space in the Project is to be leased to a third party, list the proposed tenants, indicate total square footage of the Project, amount to be leased to each tenant, proposed use by each tenant, and whether each tenant will be a governmental unit or an organization described in Section 501(c)(3) of the Internal Revenue Code.

3.15 Has construction work on the Project begun? If so, describe work performed to date and the date construction commenced.

3.16 List principal items or categories of equipment to be acquired as part of the Project.

3.17 Has any of the above equipment been ordered or purchased? If yes, indicate:

<u>Item</u>	<u>Date Ordered</u>	<u>Delivery Date</u>	<u>Price</u>
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3.18 Is the Project to be financed through the issuance of the Authority's Bonds part of a larger project contemplated by the Applicant? If yes, describe the overall Project, indicating which part is to be financed with the Authority's Bonds and which part will not be so financed.

3.19 Is the Project subject to any Federal, State or Local environmental laws or regulations, or will the Project have any material adverse impact on environmental or archeological resources? If so, please describe such laws, regulations or impact.

3.20 Attach financial projections for three years related to the Project, including underlying assumptions and such other supporting data and financial information as may be requested by the Financial Representative to analyze the financial feasibility of the Project.

3.21 Attach, if applicable, an appraisal made by a member of the Appraisal Institute (MAI) setting forth the value of the Project site and the value of the Project after any contemplated construction is completed. (It is expected that many questions may arise with respect to required appraisals. Applicants are encouraged to consult with the Authority's Financial Representative prior to ordering an appraisal.)

SECTION 4

INFORMATION REGARDING THE PROPOSED BOND ISSUE

4.1 List the principal amount of financing requested.

4.2 With respect to the Project, state the proposed sources of funds and estimated uses of Bond proceeds and other funds using the format set forth below.

(Note that working capital and inventory are not eligible uses of Bond proceeds.)

<u>Estimated Sources of Funds:</u>		<u>Amount</u>
Bond Proceeds	\$	_____
Applicant's Equity Contribution		_____
Other		_____
Total Project Cost	\$	_____
		<hr style="border-top: 3px double #000;"/>
<u>Estimated Uses of Bond Proceeds:</u>		<u>Amount</u>
Land	\$	_____
<u>Estimated Uses of Bond Proceeds (Cont'd):</u>		
Construction		_____
Equipment		_____
Engineering		_____
Architecture		_____
Capitalized Interest		_____
Accrued Interest		_____
Bond Discount		_____
Other (please explain)		_____
Total Bond Proceeds	\$	_____
		<hr style="border-top: 3px double #000;"/>
<u>Estimated Uses of Equity and Other Funds:</u>		
_____	\$	_____
_____		_____
Total Equity and Other	\$	_____
		<hr style="border-top: 3px double #000;"/>

4.3 Have any of the expenditures shown under Estimated Uses of Bond Proceeds already been incurred or made by the Applicant? If yes, indicate particulars.

4.4 Will any of the funds to be borrowed through the Authority be used to repay or refinance an existing mortgage or outstanding loan? If yes, indicate particulars.

4.5 The Proposed Bonds:

4.5.1 Type of placement (public, private):

4.5.2 Proposed Purchaser:

4.5.3 Anticipated Interest Rate:

4.5.4 Term of Bonds to be issued and proposed debt retirement schedule.

4.5.5 If the Bonds are to be publicly offered, describe with specificity the credit enhancement which will be used to obtain a rating of AA or higher;

4.5.6 Maturity;

4.5.7 Expected Rating;

4.5.8 Fixed or Variable Interest Rate.

4.6 List the face amount of all tax-exempt financings previously arranged by or for the benefit of the Applicant for Projects located within the Town of Gilbert.

<u>Issuer and Date of Issue</u>	<u>Original Face Amount</u>	<u>Current Amount Outstanding</u>	<u>Status of Project</u>
-------------------------------------	---------------------------------	---------------------------------------	------------------------------

4.7 Has the Applicant previously been denied financing, whether conventional, tax exempt or otherwise, for the proposed or a similar Project? If yes, indicate particulars.

4.8 Has the Applicant ever defaulted on any debt obligation including, without limitation, any public or private bond, mortgage, note or debenture? If yes, indicate particulars.

4.9 Attach any proposed or final agreements regarding the Bonds or the Project (e.g. commitment to purchase the Bonds or construction contract).

4.10 Attach a schedule of proposal and existing indebtedness with debt service coverage.

SECTION 5

SMALL ISSUE EXEMPTION

5.1 Is the Bond financing intended to qualify under the Small Issue Exemption provided by Section 144(a) of the Code? If so, check one:

\$ 1 Million Exemption _____ \$10 Million Exemption _____

5.2 List all outstanding tax-exempt small issue and exempt facility industrial development bonds for the Applicant and/or the principal users of the Project.

(Questions 5.3 through 5.5 are to be completed only if the Bond financing is to qualify under the \$10 million Small Issue Exemption provided by Section 144(a)(4) of the Internal Revenue Code.)

5.3 List all capital expenditures incurred or to be incurred with respect to this Project (other than those which will be financed with Bond proceeds).

		Past 3 Years	Next 3 Years (estimate)
Land	\$	_____	\$ _____
Construction		_____	_____
Equipment		_____	_____
Architecture		_____	_____
Research		_____	_____
Research and Development		_____	_____
Capitalized		_____	_____
Interest		_____	_____
Other		_____	_____
	\$	=====	\$ =====

5.4 List capital expenditures with respect to other facilities of the Applicant or any related person (as that term is used in Section 144(a)(3) of the Code) if the facilities are located in the Town of Gilbert:

		Past 3 Years	Next 3 Years (estimate)
Land	\$	_____	\$ _____
Construction		_____	_____
Equipment		_____	_____
Architecture		_____	_____
Research		_____	_____
Research and Development		_____	_____
Capitalized		_____	_____
Interest		_____	_____
Other		_____	_____
	\$	=====	\$ =====

5.5 Will the Project be funded in part with an Urban Development Action Grant? If yes, indicate particulars concerning the grant.

SECTION 6

POLLUTION CONTROL FACILITIES

(Questions 6.1 through 6.11 are to be completed only if the Project is a pollution control facility.)

6.1 What pollutant will the Project remove, alter, dispose of, or store?

6.2 What environmental regulation is the Project designed to meet?

6.3 How does the Project operate?

6.4 Will the Project produce any recoverable material (i.e., a by-product that can be sold or recycled)? If yes, complete the following.

Annual value of recovered material	\$	_____	
Annual operating expenses	\$	_____	
Expected useful life of Project	\$	_____	Years

6.5 Does the installation of the Project make it unnecessary to install an alternative facility that would otherwise have been necessary for present or proposed operations? If yes, complete the following:

	<u>Project</u>		<u>Facility</u>
Construction cost	\$ _____		\$ _____
Annual operating cost	_____		_____
Useful life	_____ Years		_____ Years

6.6 Is the Project designed to prevent the release of pollutants in a major accident? If yes, indicate particulars.

6.7 Is the Project designed to prevent the release of materials or heat which would endanger employees? If yes, indicate particulars.

6.8 Will the Project be used to control materials that traditionally have been controlled because their release would constitute a nuisance? If yes, indicate particulars.

6.9 Does the Project control the release of hazardous materials or heat that would cause an immediate risk of substantial damage or injury to property or persons? If yes, indicate particulars.

6.10 Will the Project control materials or heat in essentially the same manner as the Applicant has previously controlled such materials or heat as a customary practice for reasons other than compliance with pollution control requirements? (If the Applicant previously has not generated such

materials or heat at the location where the Project is to be located, the customary practice shall be determined by reference to the use of similar property by similarly situated users.) If yes, indicate particulars.

6.11 What regulatory bodies have jurisdiction over the Project?

6.12 Please indicate the cost of each item if the Project includes any of the following:

Stacks or chimneys _____ Spare parts _____

SECTION 7

BOND PROCEEDS TO BE USED BY EXEMPT PERSON

(Questions 7.1 and 7.2 are to be completed only if the Applicant is an organization described in Section 501(c)(3) of the Code.)

7.1 Attach a copy of the Applicant's Determination Letter from the Internal Revenue Service to the effect that the Applicant is an organization described in Section 501(c)(3) of the Code.

7.2 Will the Applicant conduct at the Project an unrelated trade or business, as that term is described in Section 513 of the Code? If yes, indicate particulars.

SECTION 8

INDUSTRIAL AND COMMERCIAL PROJECTS

8.1 Estimate the number of new jobs to be created by the Project for each employment category identified below. New jobs are those jobs which will be created as a result of the Project as distinguished from jobs relocated from a different site.

8.1.1 Construction (temporary): _____

8.1.2 Long Term:

a. White Collar:

Professional _____

Managers _____

Sales/Clerical _____

Total _____

b.	Blue Collar:	
	Craftsmen	_____
	Operatives	_____
	Laborers	_____
	Service	_____
	Total	=====

8.2 Before the Authority will grant final approval to the Project, the Applicant will be required to prepare and submit an Employment Plan. If the Applicant's Employment Plan is available, it should be attached as an exhibit to the Application. If the Employment Plan has not been prepared, the Application must contain an undertaking by the Applicant to submit an Employment Plan to the Town's Business Development Division for review and approval no later than 30 days following preliminary approval of the Application. A copy of the approved Employment Plan must be submitted to the Authority no fewer than 15 business days prior to the date scheduled for final approval.

SECTION 9

DATES

Please indicate the approximate dates of the following activities (for actual scheduling of Authority presentations and deliberations, please contact the Authority):

- 9.1 Requested date of preliminary approval by the Authority.
- 9.2 Requested date of preliminary approval by the Town Council.
- 9.3 Requested date of public hearing conducted by Town Staff.
- 9.4 Requested date of final approval by the Authority.
- 9.5 Requested date of final approval by the Town Council.
- 9.6 The mailing of any Preliminary Official Statement.
- 9.7 The sale of the Bonds.
- 9.8 The closing.
- 9.9 The start of construction of the Project.
- 9.10 The completion of construction of the Project.

SECTION 10

AFFIDAVIT

All facts and statements contained in this Application, including all exhibits and attachments hereto, are true and correct to the best of the Applicant's knowledge and belief. The Applicant knows of no material adverse fact relating to the Applicant or the Project not described in the Application, including the exhibits and attachments hereto. The Applicant hereby consents to all investigations deemed reasonably necessary by the Authority.

All fees and requirements of the Authority described in the Form of Application and the are expressly agreed to as a part of this Application.

DATED _____

Full Name of Applicant

By _____

Title: _____

APPENDIX B

GILBERT IDA EMPLOYMENT PLAN GUIDE

_____ Employment Plan is based on the following premise:
Company Name

Start Date of Plan _____ To _____

I. COMPANY:

Company description (i.e., manufacturer, products, product sources, foreign markets, etc.)

Date formed: _____

Annual sales: _____

Employees:

Current number of employees _____

Current payroll _____

Projected number of new employees (over next 3 years) _____

Estimated timetable for filling new positions _____

Projected increase in payroll _____

Project/activities responsible for new growth _____

Affirmative Action Statement (see sample):

GILBERT IDA EMPLOYMENT PLAN GUIDE

PART II

A. Employment Breakdown

Please list the current and projected (1st, 2nd, and 3rd year) payroll and number of jobs for each category (feel free to change the job classifications to fit your company's configuration):

	Number of Current Jobs	Estimated Salary Range	Projected Number of New Jobs		
			First Year	Second Year	Third Year
Current Payroll					
White Collar Jobs:					
Officers & Manager					
Professionals					
Technicians					
Sales Workers					
Office & Clerical					
Subtotal					
Blue Collar Jobs:					
Craft Workers					
Operatives					
Laborers					
Service Workers					
Temporary jobs					
(Created by construction and/or equipment installation)					
Total Temporary Payroll					

**GILBERT IDA EMPLOYMENT PLAN GUIDE
PART III**

B. Job Skill Requirements

Please list any educational and/or minimum job requirements for your current and projected job classifications. (Note: The classification names should match those you listed in Part II of this Employment Plan Guide).

Job Classification	Job Skill Requirements
White Collar Jobs:	
Officers & Managers	
Professionals	
Technicians	
Sales Workers	
Office & Clerical	
Blue Collar Jobs:	
Craft Workers	
Operatives	
Laborers	
Service Workers	

GILBERT IDA EMPLOYMENT PLAN GUIDE
PART IV

C. Sample Affirmative Action Statement

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at ABC Company will be based on merit, qualifications, and abilities. ABC company does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, disability, or any other characteristic protected by law.

ABC Company will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

ABC Company is an Equal Opportunity company and seeks to comply with Federal, State, and Town of Gilbert Codes through its Affirmative Action Plan.