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

PROCEDURAL PAMPHLET

**EFFECTIVE AS OF
September 9, 2008**

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THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CHANDLER, ARIZONA

SECTION I. INTRODUCTION

The Industrial Development Authority of the City of Chandler, Arizona, a nonprofit corporation designated a political subdivision of the State of Arizona (the "Authority"), issues its limited obligation revenue bonds and loans the proceeds therefrom to finance qualifying projects located within the City of Chandler. The Authority does not loan its own money to Applicants. The Authority, instead, is a conduit that provides a formal mechanism through which an Applicant can seek financing from private sources through either a private placement or public offering of limited obligation revenue. This Procedural Pamphlet establishes the guidelines that are to be followed by Applicants in applying to the Authority for the issuance of Bonds.

Prospective Applicants should note the sole source of monies for the repayment of principal and interest on the Bonds will be revenues generated by or for the benefit of the Project being financed. The Bonds will not become a general obligation or liability of either the Authority, the City, or the State, nor will the Bonds result in a charge against the general credit or taxing power of either the Authority, the City, or the State. The Authority has no taxing power.

SECTION II. POLICY STATEMENT

Board Members of the Authority have agreed to serve because it is their belief that their service can aid the general welfare and economic growth of the City of Chandler. The Board believes that, through the vehicle of limited obligation revenue bonds, projects can be financed for users at the lowest possible costs. The Board will review each application on its own merit.

The Authority expects that municipal securities brokers, municipal securities dealers, clearing agencies and transfer agents, and all other persons engaged by the Applicant or the Authority or otherwise participating in the issuance and distribution of securities involved in a Project, will comply with all applicable state and federal securities and other applicable laws and may, at its option, request a written certification of compliance.

A. FOCUS

As a matter of policy, the Authority places a particular emphasis upon the following items in sequential order although the Authority is legally empowered to finance the Projects in order as defined in Exhibit A attached hereto.

1. The Project should provide additional employment opportunities or preserve existing jobs in the City of Chandler or otherwise promote economic growth or affordable housing in the City. A non-housing Project should create (or save) an average of either (i) 25 jobs per acre of developed floor space, or (ii) 20 jobs per each \$1,000,000 of bonds sold. The Authority may modify this requirement due to the nature of a particular Project. All Applicants, other than those seeking refinancing or seeking to develop housing, must agree in the Application to provide the Authority with an employment plan prior to the granting of final approval of the Application. The purpose of an employment plan is to

indicate the type and number of new permanent jobs which will be created (or saved) at the new facility. The employment plan should include a description of: (1) the number and classification of jobs to be created (or saved); (2) the job skill requirements of new employees; (3) a description of appropriate local training and placement programs; and (4) a timetable for job availability, training and placement.

2. The Authority's policy is to issue its bonds to encourage the location of Projects within the Redevelopment Area and the Enterprise Zone in order to encourage job growth, expand the City's tax base, and provide new housing. The maps attached hereto as Exhibit B designates the areas of the City in which Projects are preferred. Projects located outside the area may be considered by the Authority.
3. Industrial and commercial Projects which have good employment possibilities to diversify the employment base, add to the assessed value of the City and provide an acceptable level of cleanliness while aesthetically improving the proposed location are preferred.
4. Projects that are in concert with the City's efforts to provide public facilities such as, but not limited to, water treatment and wastewater reclamation.
5. A Project locating multi-family residential rental Projects to be financed with bonds issued by the Authority within the designated Redevelopment Area as established by the City in Exhibit B. In evaluating Applications for multi-family residential rental Projects, the Authority will consider the quality of design of the Project, as well as the open space and amenities provided within the Project. These issues should be described in detail in the Application. A feasibility study may be required to establish need.

B. REQUIREMENTS

As a matter of policy, the Authority will analyze each proposed financing and will render a decision on whether to provide tax-exempt financing after considering the following:

1. The Project must be consistent with the City's Comprehensive General Plan, which includes the City's City Center Plan and Redevelopment Plan.
2. There must be sufficient reason to believe that the Applicant has the financial ability to honor the obligations assumed by the Applicant.
3. The Project should not constitute a speculative investment of capital in real or personal property.
4. The Applicant should arrange for placement of the bonds to be issued by the Authority with an underwriter or through private placement, subject only to Authority approval, approval by the governing body of the City of Chandler, and fulfillment of the conditions of purchase set forth in a bond purchase contract.

SECTION III. DEFINITIONS

Capitalized terms used in this Procedural Pamphlet and not otherwise defined shall have the meanings ascribed to them in Exhibit A attached hereto.

SECTION IV. APPLICATION PROCEDURE

The Authority requires all Applicants to make a full and complete Application in accordance with the requirements of this Procedural Pamphlet in the form required by Exhibit C attached hereto, prior to the Authority considering whether to grant preliminary approval to proceed with the financing arrangements for a Project. One original and twelve copies of the Application should be filed with the Authority c/o the City's Management Services Department at least 15 Business Days prior to the date of the Authority's meeting at which the Application will be considered for preliminary approval. By submitting the Application to the Authority, the Applicant will be deemed to be familiar with and agree to the Authority's procedures as outlined in this Procedural Pamphlet. The Authority is a nonprofit corporation designated a political subdivision of the State. The Authority's meetings are generally required to be open to the public. The instruments, documents, files, and records of the Applicant (and any Guarantor) filed with the Authority, directly or through the Authority's Legal Advisor, will be available for inspection by the public. Thus, the Applicant, by filing the Application, agrees that any information delivered to the Authority by or on behalf of the Applicant is not privileged and may be disclosed to the public. By submitting the Application to the Authority, the Applicant is expected to have disclosed any and all matters material to the proposed financing as of the date of the Application.

The Applicant is expected to be present and to make an oral presentation to the Authority at any meeting at which its Application, an amendment to its Application, a request for the extension of preliminary approval previously given to its Application, or any other matter involving its Application is to be considered. The oral presentation may cover any aspects of the Project or its financing, but an oral presentation may not be made in lieu of the written Application herein required. The Applicant must have representatives able to respond to questions concerning the Project and its financing present at all meetings at which the Application is considered by the Authority. Such representatives must be prepared to answer any and all questions concerning matters relating to the Project, to the issuance of the Bonds, the information contained in the financial statements, or any other matters deemed pertinent. If the answers appear inadequate, the Authority may table the resolution authorizing the issuance of the Bonds until the Authority is satisfied that it has satisfied its due diligence inquiry.

The complete fee for filing the Application is \$3,000 (non-refundable), all of which is to be paid when the Application is filed. In addition to paying the Application fee (\$3,000), the Applicant must agree to pay all costs and expenses incurred by the Authority, its Directors, officers, and agents related to the Bonds or the Project, including, but not limited to, the fees and expenses of the Authority's Legal Advisor and Financial Advisor whether incurred before or after the sale of the proposed Bonds. This obligation shall remain even if bonds are not funded for any reason. The Authority's Legal Advisor and Financial Advisor may require that an Applicant or Guarantor enter into a separate written fee agreement on terms and conditions acceptable to the Authority and its Legal Advisor or Financial Advisor. If the Applicant requests an extension of preliminary or final approval, an additional nonrefundable fee of \$500 may become payable, at the discretion of the Authority, by the Applicant to the Authority at the time the extension is requested.

As a condition to the issuance of the Bonds, the Applicant must also agree to pay (i) a fee equal to one-quarter of one percent of the principal amount of the Bonds to be paid at the time of the Bond Closing; and (ii) an annual share of the Authority's administrative expenses during the period the Bonds are outstanding in accordance with Section XI hereof. Any request to restructure the Authority's fees must be requested in writing by the Applicant at least 30 days in advance of final approval. Copies of such communications should be sent to City Staff, Legal Advisors, Financial Advisors and CIDA Board Members.

SECTION V. PRELIMINARY APPROVAL

The Authority shall make a ruling preliminarily approving or rejecting each Application. If the Authority grants preliminary approval for the financing of the Project, the Applicant will be so notified in writing. The Authority's preliminary approval will expire 180 days after the date of the written notice to the Applicant, unless within that time the Applicant has obtained final approval from the Authority or has obtained an extension of time from the Authority. An extension of time may be obtained by submitting an affidavit to the Authority, in a form acceptable to the Authority, requesting an extension of time and demonstrating good cause why such an extension should be granted. Exhibit D attached hereto sets forth the outline of an affidavit requesting an extension of time for the validity of preliminary approval. In its discretion, the Authority may require that an Applicant pay to the Authority an additional nonrefundable fee of \$500 at the time an extension of preliminary approval is granted.

The Authority's Legal Advisor and Financial Advisor will work with the Applicant, the Applicant's Counsel, the Applicant's Accountants, the Placement Agent, the Placement Agent's Counsel, the Underwriter, the Underwriter's Counsel, the bond purchaser, the bond purchaser's counsel, the Guarantor, the Guarantor's Counsel, the Trustee, the Trustee's Counsel, and the Bond Counsel in the documentation of the Legal Proceedings. Complete copies of the Legal Proceedings should be submitted to the Authority, the Authority's Legal Advisor, Financial Advisor, and the City Management Services Department ten (10) Business Days prior to the date set for final approval.

Additionally, certain types of Projects are required to obtain an allocation of private activity bonding authority from the Arizona Department of Commerce or such other state department as designated under state law. The Applicant and Bond Counsel shall be responsible for preparing and filing with the Arizona Department of Commerce (or other designated department) 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.

SECTION VI. FINAL APPROVAL

The Authority shall make a ruling finally approving or rejecting each Application and the Legal Proceedings. If the Authority grants final approval to an Application and the Legal Proceedings, it does so with the understanding that (1) all of the conditions imposed on the Applicant in the Authority's resolution granting preliminary approval to the issuance of the Bonds have been or will be satisfied, (2) the documents comprising the Legal Proceedings are all in substantially final form, (3) the Authority's final approval resolution is conditioned on receipt of all approvals required by this Section VI, and (4) the Authority's resolution is further conditioned on the reservation of rights contained in Section VII of this Procedural Pamphlet. Applicants must cause the issuance of the

Bonds within 120 days of the Authority's resolution granting final approval to the issuance of the Bonds or the Authority's final approval resolution will be deemed to be invalid without any further action on the part of the Authority, unless otherwise expressly extended by the Authority. In its discretion, the Authority may require that an Applicant pay to the Authority an additional nonrefundable fee of \$500 at the time an extension of final approval is granted. If the Bonds are to be privately placed, the amount of Bonds, the purchase price and interest rates to be borne on the Bonds, as well as all of the Placement Agent's compensation and expense reimbursement, must be determined on or before the date set for the Authority to adopt the resolution authorizing the Bonds. If there is to be a public offering, the Authority prefers to have all aspects of the financing determined at the time of sale; however, the Authority will entertain the granting of final approval and adoption of Legal Proceedings containing "not to exceed" limits on the following items: interest rate, amount of issue, discount, and maximum life of the Bonds.

The City Council must approve the issuance of any Bonds granted final approval by the Authority before the Bonds may be issued. The Applicant should be present during the meeting at which the City Council considers approval for the issuance of any Bonds to answer any questions posed by members of the City Council. Approval of any Application or the Legal Proceedings by the Authority shall not be deemed a "recommendation" that the City Council approve the issuance of any Bonds. It will be the Applicant's responsibility to present its case for approval to the City Council.

Additionally, section 147(f) of the Code requires that a public hearing must be held granting all interested parties an opportunity to express opposing views. This public hearing is conducted by the Authority and must be held prior to City Council approval of the issuance of any Bonds. The Applicant and Bond Counsel should coordinate with the Authority's Legal Advisor to schedule the public hearing.

SECTION VII. RESERVATION OF RIGHTS

Until the Bonds are issued, the Authority reserves the right to:

1. Reject the Application in whole or in part;
2. Reject the Application as being incomplete;
3. Reject, without limitation, the choice of Accountants, Bond Counsel, Applicant's Counsel, Placement Agent, Placement Agent's Counsel, Underwriter, Underwriter's Counsel, bond purchaser, bond purchaser's counsel, Guarantor, Guarantor's Counsel, Trustee, Trustee's Counsel, Financial Consultant, market demand consultant, appraiser, architect or engineer;
4. Reject the Project in whole or in part;
5. Require "no action" letters from the Securities Exchange Commission and/or state securities regulatory bodies or Internal Revenue Service rulings before closing. If such letters or rulings are required, the Applicant shall be responsible to submit the needed requests. Limited powers of attorney for such purposes shall be freely given by the Authority;

6. Require corrections, deletions, changes, additions, or amendments to any of the documents within the Legal Proceedings or the Official Statement;
7. Determine whether the proposed financing is one which is speculative in nature and require that appropriate language to such effect be inserted in the Official Statement;
8. Postpone, from time to time, consideration of the Application;
9. Impose conditions in addition to those set forth in this Procedural Pamphlet;
10. Waive conditions or requirements set forth in this Procedural Pamphlet; and
11. Impose any other reasonable requirements as conditions precedent to the issuance of the Bonds.

SECTION VIII. PRIVATE PLACEMENTS

If a private placement is desired and the Applicant wishes to dispense with the Placement Memorandum, or the Official Statement, the following provisions of this Section VIII will apply and will be provided for in the Legal Proceedings.

Except as set forth below, the Authority may determine that no Placement Memorandum, Official Statement, or other disclosure document will be authorized by the Authority or its officers. The Placement Agent or the bond purchaser shall have the responsibility for assuring itself, by the exercise of the appropriate level of due diligence, that the statements attributed to the Applicant in any Placement Memorandum are substantially true and correct, and that there are no material misrepresentations of facts contained in or omissions of material facts from the Placement Memorandum. The Authority and its officers will not execute any Placement Memorandum, Official Statement, or other disclosure document.

The bond purchaser may be required to waive due diligence on the part of each of the Indemnified Parties and may be required to rely solely on statements and representations of the Applicant and such bond purchaser's own investigation of the facts and circumstances relating to the purchase of the Bonds. Further, the bond purchaser may be required to waive any claims the bond purchaser may have against any of the Indemnified Parties for any liability, directly or indirectly, arising from or relating to (i) any errors or omissions of any nature whatsoever contained in any document(s) comprising the Legal Proceedings or other official representation or inducement made by the Authority or the City pertaining to the Project or the Bonds and (ii) any fraud or misrepresentations or omissions contained in the proceedings of the Authority or the City relating to the issuance of the Bonds or pertaining to the financial condition of the Applicant, which, if known to the bond purchaser, would be considered a factor in its decision to purchase the Bonds.

The bond purchaser may be required to stipulate that the Bonds will not, except as herein provided, be resold without the Authority's approval and without the approval and execution of an Official Statement or a Placement Memorandum acceptable to the Authority at the time the resale is requested, unless the Authority at that time waives the requirement of an Official Statement.

Notwithstanding the foregoing, such privately placed bonds may be transferred to a subsidiary of the bond purchaser; to an affiliate with the same or substantially the same parent corporation as the purchaser or to the parent of the initial purchaser; to entities resulting from merger or consolidation; to transferees by operation of law including sale at execution or foreclosure or divestiture caused by governmental action such as may be required by a divestiture judgment order or consent decree growing out of any antitrust action; or to a receiver or a trustee in bankruptcy when the holder of the Bonds shall be the debtor placed in a receivership or bankruptcy. In addition, the bond purchaser may sell the Bonds to another institutional investor which is a bank, savings institution, insurance company, securities dealer or other concern, a principal part of whose business consists of buying securities, so long as the transferee agrees, in writing, to be bound by the same restrictions on transfer as the initial purchaser.

SECTION IX. PUBLIC OFFERINGS

The Underwriter or the primary purchaser of the Bonds shall have the responsibility of assuring itself, by the exercise of an appropriate level of due diligence, that the statements attributed to the Applicant in any Official Statement are substantially true and correct and that there are no material misrepresentations of facts contained in, or omission of material facts from, the Official Statement.

The accuracy of the Official Statement will be the responsibility of the Applicant. Responsibility for the drafting of the various parts of the Official Statement will be determined by the Underwriter, and when determined, the Applicant's Counsel will notify each person or entity responsible for the respective part. If any Person assuming such responsibility or any other Person has knowledge of any material misrepresentation or omission in the Official Statement or any other document, such Person is expected to notify the Authority or Bond Counsel prior to the closing of the issuance of the Bonds. The Authority shall have no responsibility for the accuracy or content of the Official Statement, except for the sections directly pertaining to the Authority. Further, the Authority shall not execute any Official Statements.

A "notice of proposed offering" is required to be filed with the Arizona Corporation Commission, Securities Division, in connection with Bonds offered for public sale by means of an Official Statement, unless 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 the Underwriter.

The Authority will not take responsibility for deeming any Official Statement final, and shall require that the Applicant or the Guarantor assume the responsibility to do so. Further, the Authority shall require that the Applicant covenant to assume the ongoing disclosure obligations required by SEC Rule 15c2-12 in a form and substance satisfactory to the Authority and the Underwriter.

The Authority will not agree to receive service of process in any state other than Arizona. For that reason, it may not be possible to qualify the Bonds for sale in certain states.

By agreeing to act as Underwriter, the Underwriter shall be deemed to know of and have read this Procedural Pamphlet and have agreed to all of its terms, in the manner required by Section 9.2 in Exhibit C hereto.

SECTION X. RESPONSIBILITY

The Applicant must hold each of the Indemnified Parties harmless for, from, and against any fraud or misrepresentations or omissions contained in the Legal Proceedings or pertaining to the financial condition of the Applicant which, if known to the bond purchaser, might be considered a factor in its decision whether to purchase the Bonds. In this connection, the Applicant must execute and deliver to the Authority an indemnity and hold harmless agreement in a form acceptable to the Authority.

The Applicant may be required to provide security for its indemnification obligation to the Authority in the form of a pledge or trust agreement encumbering liquid assets or by the posting of a letter of credit inuring to the Authority's benefit in an amount to be determined by the Authority. The indemnity agreement and form of security therefor must be submitted to and approved by the Authority prior to the Closing.

SECTION XI. MISCELLANEOUS

This Procedural Pamphlet and its accompanying exhibits 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 herein stated pertain only to the Authority and are not exclusive. Other Persons involved in the issuance, sale, or purchase of the Bonds may make additional requirements, as they deem appropriate.

At present, unless indicated otherwise on the notice of meeting, all meetings of the Authority are held in the City Council Chambers, 22 South Delaware, Library 2nd Floor, Chandler, Arizona, or such other location as the Authority may notice from time to time. Regular meetings are scheduled for the second Tuesday of each month at 7:30 a.m., Mountain Standard Time (Arizona is exempt from Daylight Savings Time). Special meetings can be held where circumstances require; however, such requests should be made at least two weeks prior to the date of the proposed special meeting.

Each Applicant who succeeds in having the Authority issue such Bonds may be assessed annually: (i) \$500 for bonds outstanding in the principal amount of \$0 up to and including \$499,000, (ii) \$2,000 for bonds outstanding in the principal amount of \$500,000 up to and including \$9,999,999, and (iii) up to one-tenth of one percent of the principal amount of bonds outstanding in the amount of \$10,000,000 and above, as such Applicant's assessment for the administrative expenses of the Authority. No assessment will violate any covenant relating to arbitrage bonds. The amount of each such annual assessment may be billed quarterly, semi-annually, or annually, as the Authority, in its sole and absolute discretion, may determine. Annual assessments may continue against each Applicant during the period any of the Bonds issued to finance or refinance the Applicant's Project are outstanding. The Applicant acknowledges and agrees that pursuant to this Section XI, Applicants may be assessed more or less than a proportionate share of the administrative expenses of the Authority. It shall be the responsibility of each Applicant to notify the Authority in the event any such assessment would violate any applicable law, including, without limitation, any applicable law relative to arbitrage. The officers of the Authority may take any actions necessary to implement this Section XI.

All correspondence and Applications should be delivered to the Authority c/o, City of Chandler Management Services Department, Chandler, Arizona 85225.

EXHIBIT A

DEFINITIONS

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

"1934 Act" means the Securities Exchange Act of 1934, as amended, and regulations of the Securities Exchange Commission pertaining to the marketing or transfer of municipal securities and the rules of the Municipal Securities Rulemaking Board.

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

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

"Act" means the Industrial Development Financing Act, Arizona Revised Statutes Sections 35-701, *et seq.*, as amended.

"Affiliate" means any Person sharing common ownership, management, or control.

"Applicant" or "Borrower" means the Person seeking to have Bonds issued on its behalf to purchase, construct, improve, rehabilitate, or equip one or more Projects, or to refund Prior Bonds, the proceeds of which were loaned to acquire, construct, improve, rehabilitate, or equip one or more Projects, and its successors and assigns.

"Applicant's Counsel" or "Borrower's Counsel" means the legal counsel representing the Applicant or the Borrower.

"Application" means a filing with the Authority of information upon which the Authority may base its decision to consider preliminary approval to the issuance of the proposed Bonds, substantially in the form of Exhibit C to this Procedural Pamphlet.

"Arizona Blue Sky Law" means Arizona Revised Statutes Sections 44-1871, *et seq.*, as amended.

"Authority" means The Industrial Development Authority of the City of Chandler, Arizona.

"Authority's Legal Advisor" means the legal counsel representing the Authority and its Directors.

"Authority's Directors" or "Directors" means the members of the Board of Directors of the Authority.

"Bond" or "Bonds" shall mean any or all of the Bonds authorized to be issued by the Authority.

"Bond Counsel" means an attorney at law or a firm of attorneys acceptable to the Authority, the Applicant, and the Trustee, with a proven reputation in the field of municipal finance retained by the Authority, the Applicant, or the Placement Agent or Underwriter to render an unqualified opinion on the legality of the Bonds and such other matters as are herein set forth and also to draft or be responsible for the drafting of the Legal Proceedings leading to the issuance of the Bonds.

"Bond Placement Agreement" or "Bond Purchase Agreement" shall mean the Bond Placement Agreement or Bond Purchase Agreement with respect to the Bonds among the Authority, the Applicant, and the Placement Agent or the Underwriter.

"Business Day" means the period of time between the hours of 8:00 a.m. and 5:00 p.m., Mountain Standard Time, any day of the week other than a Saturday, Sunday, or a legal holiday in the State.

"City" means the City of Chandler, Arizona.

"City Council" means the City Council of the City of Chandler, Arizona.

"Code" or "IRC" means the Internal Revenue Code of 1986, as amended.

"Concern" or "Person" means any natural person, group of natural persons, general or limited partnership, registered limited liability partnership, limited liability company, association, corporation, syndicate, joint venture, joint stock company, trust, unincorporated association, governmental body, or any agency or political subdivision thereof or any other form of legal entity.

"Debt Service Coverage Ratio" means net operating income divided by debt service.

"Designated Area" means any area of the State which is either designated pursuant to Section 36-1479, Arizona Revised Statutes, as a redevelopment area as defined in Section 36-1471, Arizona Revised Statutes, or designated by regulation as a "pocket of poverty" or a "neighborhood strategy area" by the United States Department of Housing and Urban Development pursuant to Title I of the Housing and Community Development Act of 1977 (42 U.S.C. Sections 5301-5320), as amended, and the Department of Housing and Urban Development Act (42 U.S.C. Section 3535(d)).

"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 Advisor" means the consultant retained by the Authority to analyze the financial aspects of the Bonds.

"Financial Consultant" means a Concern retained to draft and circulate a Notice of Public Sale and an Official Statement in order to generate interest in the Bonds which are to be sold by competitive bidding as opposed to private negotiation.

"Guarantor" or "Third Party Guarantor" means any Concerns other than the Applicant (including a parent, affiliate, or subsidiary of the Applicant) who guarantees or provides either the revenue for the payment of the Bonds or the underlying security for the payment of the Bonds.

"Guarantor's Counsel" means the legal counsel representing any Guarantor or Third Party Guarantor.

"Guaranty" means either guaranty of payment or guaranty of collection.

"Indemnified Party" or "Indemnified Parties" means the Authority, its past, present, and future directors, officers, counsel, financial advisors and agents, and the City, its past, present, and future City Council and agents, individually and collectively.

"Indenture" means the Indenture of Trust between the Authority and the Trustee which is executed in connection with the issuance of the Bonds.

"Legal Proceedings" includes, among other things, the following documents relating to the issuance of the Bonds:

1. Any lease, loan agreement, purchase contract, note, mortgage, deed of trust or other security which is to be executed by the Applicant;
2. The resolution(s) of the Authority authorizing the issuance of the Bonds;
3. Any trust indenture or similar trust instrument;
4. All proposed preliminary Official Statements and drafts of final Official Statements;
5. A notice of sale if the Bonds are to be sold through competitive public bidding;
6. The Bond Purchase Agreement, or Bond Placement Agreement, together with any related letters required by the Placement Agent, the Underwriter, Bond Counsel, or the Bond Purchaser;
7. Any Guaranty;
8. The form of Bond Counsel's opinion;
9. The form of the Accountant's consent and comfort letters;
10. Non-litigation Certificate;
11. Arbitrage Certificate;
12. Trustee's Receipt;
13. 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;
14. Such other proceedings as the Placement Agent, the Underwriter, Bond Counsel or the Authority shall require;
15. Drafts of any instruments which the Authority must adopt or approve, or any Director 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;
16. A copy of the indemnity agreement or agreements, if any;
17. Resolutions and certificates of the Applicant deemed necessary by Bond Counsel to complete the financing; and
18. Affidavits of Publication of Notices of Public Hearings, if any.

"Loan Agreement" shall mean the Loan Agreement between the Authority and the Applicant and assigned by the Authority to the Trustee, as originally executed or as it may from time to time be supplemented or amended in accordance with its terms.

"Net Proceeds" means the amount of the proceeds from the sale of the Bonds (including premium, if any) which are intended to be used in the acquisition, purchase, construction, improvement, or equipping of the Project, but does not include bond discounts, accrued interest, costs of issuance, capitalized interest or reserve funds, or amounts used to pay Trustee's or paying agent's fees.

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

"Placement Agent" means any Person who assists in the issuance and sale of the Bonds or facilitates the issuance and sale of the Bonds.

"Placement Agent's Counsel" means the legal counsel representing the Placement Agent.

"Placement Memorandum" means a prospectus or offering document concerning the Bonds utilized in connection with a private placement sale of the Bonds.

"Procedural Pamphlet" means the Authority's Procedural Pamphlet, effective as of June 12, 2001.

"Project" has the definitions specified in Section 35-701, Arizona Revised Statutes, as amended, which currently reads, in part, as follows:

"Project" means 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 and whether located within or without the municipality or county approving the formation of the corporation, which are suitable for any of the following:

- (a) With respect to a corporation formed with the permission of a municipality or county other than the Arizona Board of Regents:
 - 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 the processes related thereto, including research and development.
 - iii. Office building or buildings for use as corporate or company headquarters or regional offices or the adaptive use for offices of any building within this state that is on the national register of historic places or rehabilitation of residential buildings located in registered historic neighborhoods.
 - iv. A healthcare institution as defined in Arizona Revised Statutes Section 36-401.
 - v. Residential real property for dwelling units located within the municipality or county approving the formation of the corporation and, in the case of a county, whether or not also within a municipality which is within the county.

- vi. Repairing or rehabilitating single family dwelling units or constructing or repairing residential fences and walls.
- vii. Convention or trades show facilities.
- viii. Airports, docks, wharves, mass commuting facilities, parking facilities or storage or training facilities directly related to any of the facilities as provided in this item.
- 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 organization that is exempt from taxation under section 501(c)(3) of the United States internal revenue code and not otherwise funded by state monies, any educational institution or organization established under 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 education school district.
- xiii. Research and development facilities.
- xiv. Commercial enterprises, including facilities for office, recreational, hotel, motel and service uses if the facilities authorized by this item are to be located in a designated area.
- xv. A child welfare agency, as defined in Section 8-501, owned and operated by a nonprofit organization.
- xvi. A transportation facility constructed or operated pursuant to Arizona Revised Statutes Title 28, Chapter 26, 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)(3) of the United States internal revenue code of 1986 that is primarily engaged in delivering community services on that property consisting of fitness programs, camping programs, health and recreation services, youth programs, child care, senior citizen programs, individual and family counseling, employment and training programs, services for individuals with disabilities, meals, feeding programs or disaster relief.

"Property" has the definition specified in Section 35-701, Arizona Revised Statutes, as amended, which currently reads as follows:

"Property" means any land, improvements thereon, buildings, and any improvements thereto, machinery and equipment of any and all kinds necessary to a Project and any other personal properties deemed necessary in connection with a Project.

"Rating Agency" means Moody's Investors Service, Inc., Standard & Poor's Rating Group, Fitch Investors Service, Inc., and their respective successors and assigns. Other rating agencies which are well regarded by the securities industry will also be considered.

"Regulatory Agreement" shall mean the Regulatory Agreement, Land Use Restriction Agreement, and/or Declaration of Restrictive Covenants among the Authority, the Trustee, and the Applicant.

"SEC" means the Securities and Exchange Commission.

"Section 103" means Code Section 103, as amended.

"State" means the State of Arizona.

"Trustee" shall mean the Person serving as trustee under the Indenture.

"Trustee's Counsel" means the legal counsel representing the Trustee.

"Underwriter" means any Person who has purchased from the Authority with a view to, or sells for the Authority in connection with, the distribution of the Bonds, or participates or has a participation in the direct or indirect underwriting of such a distribution.

"Underwriter's Counsel" means the legal counsel representing the Underwriter.

EXHIBIT B-1

REDEVELOPMENT AREA MAP

EXHIBIT B-2

EXHIBIT C
APPLICATION

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

**FORM OF APPLICATION FOR
AUTHORITY FINANCING**

INSTRUCTIONS

1. Pre-application Conference. The Authority recommends that all Applicants schedule a pre-application conference with the Authority's Legal Advisor and Financial Advisor. The purpose of the pre-application meeting is to brief the Applicant on the preparation of the Application, as well as the Authority's reaction to past Applications of a nature similar to that proposed. Questions concerning this Application may be directed to the Authority's Legal Advisor and Financial Advisor at any time.

2. Format. This Exhibit is designed to act as a guideline for the Applicant's use in providing the Authority with sufficient information on which to base its decision to consider preliminary approval of the issuance of the proposed bonds. The Authority requests the Applicant to submit its Application on 8 x 11 inch paper restating all of the captions set forth in the proposed Form of Application, including a written restatement of each section, title, and question, or request for information, as well as the Applicant's response or appropriate notations as to the inapplicability of certain items. The Applicant should endeavor to respond to each question or request for information as thoroughly as possible, and if the question or request is not applicable to the Applicant to mark "NA." If an entire section of the Application is inapplicable to the Applicant, the Applicant need only type in the number of the section and its title, along with the words "Not Applicable." There is no need to respond to each set of questions in a section that is completely inapplicable. This will frequently apply with respect to Sections 6 through 8 of the Application. Similarly, the notes set forth throughout the Application are for the convenience of Applicants, and need not be restated in an Applicant's Application.

The Authority requests that each Application be submitted in a three-ring loose-leaf binder facilitating easy insertion and removal of pages. The Authority requests that each binder be labeled on the front and side as follows:

(Name of Applicant)
Application for Financing
By
The Industrial Development Authority
of the City of Chandler, Arizona
In an Amount Not to Exceed \$ _____
(Date)

3. Deliverables. 13 counterparts (1 original and 12 copies) of the Application should be provided to the Authority at the following address no fewer than 15 Business Days prior to the Authority meeting at which consideration of the Application is requested:

The Industrial Development Authority of the City of Chandler, Arizona
City of Chandler Management Services Department
55 North Arizona Place, Suite 201
Chandler, Arizona 85225

4. Authority Meetings. The Authority's regular meetings are scheduled for the second Tuesday of each month at 7:30 a.m. Mountain Standard Time (Arizona is exempt from Daylight Savings Time). Special Meetings can be held where circumstances require; however, such requests

should be made at least two weeks prior to the date of the proposed special meeting. Such meetings, unless indicated otherwise on the notice of meeting, are held in the City Council Chambers, 22 South Delaware, Library 2nd Floor, in the City of Chandler.

5. Applicant's Presentation. A representative of the Applicant must attend the meeting of the Authority at which the Application is to be considered in order to provide a brief oral presentation of the proposed Project and to be available to answer questions.
6. Applicant's Affidavit. The Application must include the Affidavit set forth in Section 9.1 of the Application 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.
7. Underwriter's Affidavit. The Underwriter must include the Affidavit set forth in Section 9.2 of the Application signed by an appropriate officer (if the Underwriter is a corporation), by a general partner (if the Underwriter is a partnership), by an authorized manager or member (if the Applicant is a limited liability company), or by the owner (if the Underwriter is a sole proprietorship) and acknowledged before a Notary Public.
8. Fees and Expenses. The Authority's fees are as follows:
 - A. Application Fee. The complete fee for filing the Application is \$3,000 (non-refundable), all of which is to be paid when the Application is filed.
 - B. Authority's Legal and Financial Advisors' Fees. By submitting an Application, the Applicant also agrees to pay, on a monthly basis, all costs and expenses incurred by the Authority, including the fees of its Counsel and Financial Advisor relative to the preparation, filing, and processing of the Application, review of the Legal Proceedings and the issuance of the Bonds. The Applicant should consult with the Authority's Legal Advisor and Financial Advisor with respect to their respective payment terms and retainer requirements. This obligation shall remain even if bonds are not funded for any reason. The Authority's Legal Advisor and Financial Advisor may require that an Applicant or Guarantor enter into a separate written fee agreement on terms and conditions acceptable to the Authority and its Legal Advisor or Financial Advisor.
 - C. Annual Assessment of Authority's Expenses. Additionally, as a condition to the issuance of the Bonds, the Applicant must agree to pay a proportionate part of the Authority's expenses during the period the Bonds are outstanding.

Each Applicant who succeeds in having the Authority issue such Bonds may be assessed annually: (i) \$500 for bonds outstanding in the principal amount of \$0 up to and including \$499,000, (ii) \$2,000 for bonds outstanding in the principal amount of \$500,000 up to and including \$9,999,999, and (iii) up to one-tenth of one percent of the principal amount of bonds outstanding in the amount of \$10,000,000 and above, as such Applicant's assessment for the administrative expenses of the Authority. No assessment will violate any covenant relating to arbitrage bonds. The amount of each such annual assessment may be billed quarterly, semi-annually, or annually, as the Authority, in its sole and absolute discretion, may determine. Annual assessments may continue against each Applicant during the period any of the Bonds issued to finance or refinance the

- Applicant's Project are outstanding. Bond fees are applicable from inception thru the duration of that bond. It shall be the responsibility of each Applicant to notify the Authority in the event any such assessment would violate any applicable law, including, without limitation, any applicable law relative to arbitrage. The officers of the Authority may take any actions necessary to implement Section XI of the Procedural Pamphlet. Any request to restructure the Authority's annual fee must be requested in writing by the Applicant at least 30 days in advance of final approval.
- D. Authority's Closing Fee. As a condition to the issuance of the Bonds, the Applicant must agree to pay the Authority a closing fee equal to one-quarter of one percent of the principal amount of the Bonds, to be paid at the time of the Bond Closing. Any request to restructure the Authority's closing fee must be requested in writing by the Applicant at least 30 days in advance of final approval.
- E. Preliminary or Final Approval Extension Fee. If the Applicant requests an extension of preliminary or final approval, an additional nonrefundable fee of \$500 may become payable at the time the extension is requested.
9. Further Diligence. The Authority reserves the right to 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, financial projections on the Applicant's business or the Project.
10. Ramification of Submitting Application; Conflicts Between Procedural Pamphlet and Instructions to Application. By submitting the Application to the Authority, the Applicant will be deemed to know, understand, and accept the Authority's procedures, as outlined in the Procedural Pamphlet. If there are any discrepancies or conflicts between the terms of the Procedural Pamphlet and this Application, the terms of the Application shall control.

APPLICATION

SECTION 1

IDENTITY OF PARTICIPANTS

- 1.1 Applicant's Legal Name:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):
- 1.2 Applicant's Counsel:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):
- 1.3 Placement Agent or Underwriter:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):
- 1.4 Placement Agent's or Underwriter's Counsel:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):
- 1.5 Bond Purchaser:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):
- 1.6 Bond Purchaser's Counsel:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):
- 1.7 Applicant's Certified Public Accountant:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

1.8 Suggested Bond Counsel:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

1.9 Name of Guarantor:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

(NOTE: Specify whether a corporation, limited or general partnership, limited liability company, or individual. Guarantor may also be required to submit the information requested in Section 3 hereof.)

1.10 Suggested Trustee:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

1.11 Suggested Trustee's Counsel:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

1.12 Suggested Financial Consultant:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

1.13 Suggested Environmental Assessment Consultant:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

1.14 Suggested Appraiser:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

- 1.15 Suggested Financial Feasibility Consultant:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):
- 1.16 Suggested Market Demand Consultant:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):
- 1.17 Suggested Architect:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):
- 1.18 Suggested Engineer:
Business Address:
Principal Contact(s):
Telephone Number(s) of Contact(s):
Facsimile Number(s) of Contact(s):

SECTION 2

EXECUTIVE SUMMARY

- 2.1 Provide a short, plain statement of the type of business or businesses engaged in by the Applicant and a brief description of the Applicant's business structure, e.g., corporation, partnership, limited liability company, etc. If the Applicant is a subsidiary corporation or has subsidiaries, include a short, concise description of the business of all affiliated companies.
- 2.2 Provide a short, plain description of the Project.
- 2.3 List the principal amount of financing requested.
- 2.4 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: When estimating the Cost of Issuance figure, please be careful to include each of the following items to the extent applicable: printing, trustee's fees, trustee's counsel fees, Rating Agency fee, bond counsel fee, special tax counsel fee, underwriter or disclosure counsel fee, Authority's Legal Advisor fee, Authority's Financial Advisor fee, Applicant's counsel fee, computer and cash flow verification fees, placement agent fees, and underwriter's discount, including takedown, underwriting, expenses, and management fees.)

<u>Estimated Sources of Funds:</u>	<u>Amount</u>
Equity (cash)	\$
Equity (non-cash, please specify)	\$
Bond Proceeds	\$
Other	\$
_____	\$
_____	\$
Total Sources of Funds	\$

<u>Estimated Uses of Funds:</u>	<u>Amount</u>
A. Cost of Acquisition and/or Construction:	
Land	\$
Construction	\$
Equipment	\$
Engineering	\$
Architecture	\$
Capitalized Interest	\$
Accrued Interest	\$
Other Hard Costs	\$
Other Soft Costs	\$
B. Costs of Issuance	\$

C. Other, e.g., prepayment penalty, premium on redemption, debt service reserve fund, etc. \$

Total Uses of Funds \$

- 2.5 Have any of the expenditures shown under "Estimated Uses of Funds" already been incurred or made by the Applicant? If yes, indicate particulars.
- 2.6 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.
- 2.7 The proposed bonds:
- 2.7.1 Type of placement (public, private):
 - 2.7.2 Anticipated purchaser(s) (i.e., institutional vs. retail, number):
 - 2.7.3 Anticipated interest rate:
 - 2.7.4 Term of bonds to be issued and proposed debt retirement schedule:
- 2.8 If the Bonds are to be publicly offered, describe with specificity the basis on which the Bonds will obtain a rating of "A" or higher, e.g., the Applicant is itself a rated company or has obtained a commitment for credit enhancement.
- 2.9 Please specify the approximate dates of:
- 2.9.1 When the Applicant will be making its presentation before the Authority seeking preliminary approval:
 - 2.9.2. Mailing of any Preliminary Official Statement:
 - 2.9.3. Issuance and sale of the Bonds:
 - 2.9.4. Start of construction of the Project:
 - 2.9.5. Completion of the Project:
- 2.10 Provide an employment plan, including a description of the following:
- 2.10.1 Number, classification, and estimated salary range of jobs to be created.
 - 2.10.2 Procedures to be followed for recruiting, training, and placing new employees.

SECTION 3

DETAILED INFORMATION REGARDING THE APPLICANT

(NOTE: The information required by this Section also may be required to be provided by each Guarantor.)

3.1 Applicant's form of business organization (check one):

- Corporation
- General Partnership
- Limited Partnership
- Limited Liability Company
- Registered Limited Liability Partnership
- Sole Proprietorship.

Date of formation: _____

State where incorporated or organized: _____

3.2 Ownership: List all persons having a 5% or greater interest, direct or indirect, in any class of the Applicant's securities or ownership interests.

3.3 If any person named in your response to Section 3.2 owns, directly or indirectly, more than 50% of the Applicant, list all other persons who are related, within the meaning of Code Section 144(a)(3), to that person.

3.4 Provide the names, titles, and addresses of the officers and directors or the partners or managers, and/or members of the Applicant. For each person listed in response to this inquiry, provide a summary statement of such person's experience with the Applicant and the Applicant's industry, as well as any other information that may be germane to such person's ability to perform his or her job for the benefit of the Applicant, e.g., specialized educational background.

3.5 Describe any material litigation or contingent liabilities involving the Applicant or, if the Applicant is a partnership, its general partners or, if the Applicant is a limited liability company, its managers and/or members.

3.6 If the Applicant or any of the Applicant's officers, directors, general partners, or, if the Applicant is a limited liability company, its managers and/or members, or any person listed in answer to Sections 3.2, 3.3, or 3.4 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.

3.7 Attach copies of the following reports:

- 3.7.1 All financial statements prepared in accordance with generally accepted accounting principles by a certified public accountant for the Applicant's three (3) most recently completed fiscal years, except that if the Applicant has been in business less than three (3) 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 Certified Public Accountant or signed by the Applicant or the Applicant's agent. If the most recent annual financial statements were prepared more than six (6) months prior to the date of the Application, then the Applicant must also submit an interim financial statement to the Authority.
- 3.7.2 The most recent quarterly unaudited financial statements, reports on Forms 10Q and 10K, and proxy statements, if applicable.
- 3.8 If the Applicant is required to file periodic reports or disclosure statements under the 1934 Act or any similar law in any state or any other similar law of the United States, a copy of the most recent report must be attached. Additionally, please attach the following:
- A. The Applicant's most recent annual report.
 - B. The most current rating sheet(s), if any debt securities of the Applicant are rated, and any changes in rating within the past two (2) years.

SECTION 4

PROJECT INFORMATION

- 4.1 Project Name.
- 4.2 Location of Project, including address and legal description.
- 4.3 Provide a detailed description of the Project.
- 4.4 Explain the public purpose to be served by the Project under Code Section 141(e). Additionally, explain the public purpose to be served by the Project in accordance with the provisions of the Act.
- 4.5 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 and/or current structures.
- 4.6 Describe current zoning at the proposed site and any related restrictions and any zoning changes or use permits required.
- 4.7 Project site:
 - 4.7.1 Indicate approximate size (in gross and net acreage or square footage) of the Project site.
 - 4.7.2 Indicate present use of the Project site.
 - 4.7.3 Indicate present owner of the Project site.
 - 4.7.4 If the Applicant now owns the Project site, indicate the date of purchase, purchase price, balance of existing mortgage, and holder of mortgage(s).
- 4.8 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 the date of option agreement or contract, purchase price, the expiration date of the option, and/or the closing date.
- 4.9 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.
- 4.10 Is there a blood or legal relationship or common control or ownership between or among (A) the Applicant and the seller, lessor, or lessee of the Project site; (B) the Authority's officers, directors, Legal or Financial Advisors, and anyone listed in response to Sections 3.2, 3.3, or 3.4; (C) the City or any member of its City Council and the seller, lessor, or lessee of the Project site; (D) the City or any member of its City Council and the Applicant or anyone listed in response to Sections 3.2, 3.3, or 3.4; and (E) the Authority's officers, directors,

Counsel, or Financial Advisors and the Applicant and/or the seller, lessor, or lessee of the Project site? If yes, describe.

- 4.11 Does the Project involve acquisition of an existing building or buildings? If yes, indicate number and size of buildings.
- 4.12 Does the Project consist of the construction of a new building or buildings? If yes, indicate number and size of the new building or buildings.
- 4.13 Does the Project consist of additions and/or renovations to existing buildings? If yes, describe nature of expansion and/or renovation.
- 4.14 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 the Code Section 501(c)(3).
- 4.15 Has construction work on the Project begun? If so, describe work performed to date and the date construction commenced.
- 4.16 List principal items or categories of equipment to be acquired as part of the Project.
- 4.17 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 and indicate which part is to be financed with the Authority's Bonds and which part will not be so financed.
- 4.18 Is the Project subject to any federal, state, or local environmental laws or regulations, or will or could the Project have any adverse impact on environmental or archeological resources? If so, please describe such laws, regulations, or impact.
- 4.19 Provide a statement of the environmental impact which will or may be caused by the Project, and, if the statement shows the Project will adversely affect the surrounding environment, that fact shall be fully explained and justified.

(NOTE: Prior to granting final approval, the Authority may require compliance with 4.20 and 4.21. If the Applicant wishes to have the Authority waive the requirement of having a real estate appraisal or a Phase I Hazardous Substance Contamination Site Assessment (an "Environmental Assessment"), the Applicant should request such a waiver, reciting the basis for the requested waiver(s), contemporaneous with its request for preliminary approval to the issuance of the Bonds. Do not state that an Environmental Assessment is not applicable or will be furnished upon request. An Environmental Assessment is required unless the Applicant obtains a waiver of this requirement from the Authority. If the Applicant fails to request a waiver, it will be presumed that the Applicant is willing to comply with the real estate appraisal and/or Environmental Assessment requirements. It is expected that many questions may arise with respect to required appraisals and/or Environmental Assessment. Applicants are encouraged to consult with the Authority's Financial Advisor prior to ordering an appraisal and/or an Environmental Assessment.)

- 4.20 Prior to final approval, provide an appraisal prepared by a person who has been certified by the State of Arizona, setting forth the value of the Project site, the value of the Project after

any contemplated construction is completed, and that the Authority may rely on the appraisal.

- 4.21 Prior to final approval, provide an Environmental Assessment addressed to the Authority and detailing any attributes of the proposed Project or its site which could affect human health or safety or the protection of the environment.

SECTION 5

**ADDITIONAL INFORMATION REGARDING
THE PROPOSED BOND ISSUE**

- 5.1 List of face amount of all tax-exempt financings previously arranged by or for the benefit of the Applicant for Projects located within the City of Chandler.

Authority and Date of Issue	Original Face Amount	Current Amount Outstanding	Status of Project
_____	_____	_____	_____

- 5.2 Has the Applicant or any related person previously been denied financing, whether conventional, tax-exempt, or otherwise, for the proposed or a similar Project? If yes, indicate particulars.
- 5.3 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.

SECTION 6

BOND PROCEEDS TO BE USED BY EXEMPT PERSON

(NOTE: Questions 6.1 through 6.3 are to be completed only if the Applicant is an organization described in Code Section 501(c)(3). If an Applicant is not an exempt person, then the Applicant should respond to this section by merely having its Application state "Section 6 - Bond Proceeds to be Used by Exempt Person - Not Applicable.")

- 6.1 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 Code Section 501(c)(3).
- 6.2 Will the Applicant conduct at the Project an "unrelated trade or business," as that term is described in Code Section 513? If yes, indicate particulars.
- 6.3 Briefly describe the Applicant's history of operations, including a discussion of management's experience with the ownership and/or operation of facilities similar to the proposed Project, as well as a discussion of any limitations management may have which could adversely impact the operation of the proposed Project.

SECTION 7

MULTIFAMILY HOUSING PROJECTS

(NOTE: Questions 7.1 through 7.2 are to be completed only if the Project is a multifamily residential rental project. If the Applicant is not seeking financing for a multifamily residential rental housing project, then the Applicant should respond to this Section by merely having its Application state "Section 7 - Multifamily Housing Projects - Not Applicable.")

7.1 Is the proposed Project located within a "Targeted Area" as defined by the Code?

_____ Yes _____ No

7.2 In the event the Applicant intends to seek an allocation of low-income housing tax credits from the Arizona Department of Commerce, the Applicant must submit to the Authority a copy of the application submitted to the Arizona Department of Commerce for low-income housing tax credits, as well as a detailed statement explaining the impact of the requirements imposed by a tax credit program on the Project and the intended use of any proceeds from the syndication and sale of the low-income tax credits.

(NOTE: The Authority will not grant Final Approval to the issuance of bonds to finance multifamily residential rental housing projects which are also seeking issuance of low-income housing tax credits, unless and until the Authority receives from the Arizona Department of Commerce either (i) a reservation of credits or (ii) a carryforward allocation agreement entered into by the Project Owner and the Arizona Department of Commerce.)

SECTION 8

HEALTHCARE INSTITUTION PROJECTS

(NOTE: Questions 8.1 through 8.4 are to be completed only if the Project is a healthcare institution under State law. If the Applicant's Application does not involve the financing of a healthcare institution under State law, then its Application should simply state "Section 8 - Healthcare Institution Projects - Not Applicable.")

- 8.1 Provide a statement of the Applicant's assessment of the feasibility of the proposed Project.
- 8.2 Provide a statement of the effect of the proposed financing on the Applicant's patient charges, including, but not limited to, the gross dollar amount of anticipated savings as a result of the proposed financing - as compared to the impact of having to finance the Project conventionally - taking into consideration the effect of such savings on the Applicant's claims for reimbursement under government-sponsored medical insurance/expense reimbursement programs such as Medicare.
- 8.3 Demonstrate that the Applicant has a set of written policies and procedures designed to comply with all Environmental Laws.
- 8.4 Prior to final approval, provide a demand study and a financial feasibility study rendered by a nationally-recognized firm of hospitality consultants, engineers, architects, or accountants having a proven reputation for such reports.

(NOTE: The Authority has been receptive to requests to waive the demand and financial feasibility studies for private placements based on an acceptable investor letter and for public offerings with a rating of "A" or better from a Rating Agency.)

SECTION 9

AFFIDAVITS

- 9.1 Applicant Affidavit. In order to be a valid Application, the Application must be accompanied by an Affidavit executed by a person with authority to make statements on behalf of the Applicant in the form set forth below:

(Name of Applicant)
Application for Financing
By
The Industrial Development Authority
of the City of Chandler, Arizona
In an Amount Not to Exceed \$ _____
(Date)

The initial capitalized terms used herein shall have the meanings ascribed to such terms in The Industrial Development Authority of the City of Chandler, Arizona's (the "Authority") Procedural Pamphlet, effective as of September 9, 2008 (the "Procedural Pamphlet").

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 facts 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 and/or its Legal and Financial Advisor.

All fees and requirements of the Authority described in the Procedural Pamphlet are hereby expressly consented to by the Applicant, including, but not limited to, the Applicant's obligation to pay:

- A. The Authority's Application Fee.
- B. All fees and expenses incurred before or after the sale of the Bonds, by the Authority, including the fees and expenses of its Legal Advisor and Financial Advisor.
- C. The Applicant's share of the Authority's administrative expenses in accordance with Section XI of the Procedural Pamphlet.
- D. The Authority's Closing Fee.

APPLICANT:
(Insert Full Name of Applicant)

By _____
(Insert Title)

STATE OF)
) ss.
County of)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____ being duly authorized to do so.

Notary Public

My Commission Expires:

9.2 Underwriter Affidavit. In order to have a valid Application, the Application must be accompanied by an Affidavit executed by a person with authority to make statements on behalf of the Underwriter in the form set forth below:

(Name of Applicant)
Application for Financing
By
The Industrial Development Authority
of the City of Chandler
In an Amount Not to Exceed \$ _____
(Date)

This Affidavit is being submitted in support of the accompanying Application submitted by _____, the Applicant, in accordance with The Industrial Development Authority of the City of Chandler, Arizona (the "Authority") Procedural Pamphlet, effective as of September 9, 2008 (the "Procedural Pamphlet"). On behalf of my firm, I am affirmatively stating for the benefit of the Authority that this firm, as Underwriter, has read, understands, and is willing to be bound by the terms and conditions set forth in the Authority's Procedural Pamphlet.

The initial capitalized terms used in this Affidavit shall have the meanings ascribed to such terms in the Procedural Pamphlet.

DATED: _____

UNDERWRITER:
(Insert Full Name of Underwriter)

By _____
(Insert Title)

STATE OF)
) ss.
County of)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____ being duly authorized to do so.

Notary Public

My Commission Expires:

EXHIBIT D

AFFIDAVIT IN SUPPORT OF REQUEST FOR EXTENSION

(Name of Applicant)
Application for Financing
By
The Industrial Development Authority
of the City of Chandler, Arizona
In an Amount Not to Exceed \$ _____
(Date)

**AFFIDAVIT IN SUPPORT OF REQUEST FOR EXTENSION OF RESOLUTION
GRANTING [PRELIMINARY/FINAL APPROVAL]**

I, _____, being authorized to make this Affidavit on behalf of the
_____ (the "Applicant"), upon my oath depose and say:

1. The Applicant received preliminary approval from The Industrial Development Authority of the City of Chandler, Arizona (the "Authority") on _____, 20__ [and final approval on _____].
2. Since the date of preliminary [and final] approval, the Applicant has taken the following action in furtherance of the Application:
 - A. _____
 - B. _____
 - C. _____
3. The Applicant is not now in a position to [seek final approval from the Authority nor] close on the issuance of the Bonds because of the following reasons:
 - A. _____
 - B. _____
 - C. _____
4. The Applicant believes that the reasons set forth in paragraph 3 constitute good cause for extending the Authority's approval for a period of ____ days, within which time the Applicant will [request final approval from the Authority and] perform all acts necessary to close on the issuance of the Bonds for which approval had been granted;
5. The Applicant hereby requests the Authority to extend the [preliminary/final] approval heretofore granted Applicant for a period of ____ days;
6. In consideration of the Authority's willingness to consider the requested extension of [Preliminary/Final] Approval, the Applicant is tendering \$500 as an additional non-refundable fee to the Authority which will be deemed earned upon receipt regardless of whether or not the extension is granted by the Authority; and

7. The initial capitalized terms used in this Affidavit shall have the meanings ascribed to such terms in the Authority's Procedural Pamphlet effective as of September 9, 2008.

Dated: _____, 20__.

(INSERT THE APPLICANT'S NAME)

By: _____

Its: _____

STATE OF)
) ss.
County of)

SUBSCRIBED AND SWORN to before me this ____ day of _____, 20__.

Notary Public

My Commission Expires:
