



PROCEDURAL PAMPHLET

As Amended through February 15, 2024

SECTION 1

DEFINITIONS

As used in this Procedural Pamphlet and the Bond Financing Application (the “Application”), the following terms have the indicated meanings:

- a) “Act” means Arizona Revised Statutes, §§35-701 et seq.
- b) “Applicant” means the entity, or an affiliate thereof, seeking to have bonds issued on its behalf.
- c) “Applicant Counsel” means the law firm retained by the Applicant for purposes of representing and assisting it with the bond financing.
- d) “Board” means the Board of Directors of the Phoenix IDA.
- e) “Bond Counsel” means a law firm selected by the Applicant and approved by the Phoenix IDA for purposes of, among others, coordinating the bond financing and securing the required legal opinions to complete the transaction. Bond Counsel may not serve as Applicant Counsel except with the express approval of the Phoenix IDA’s chief executive officer. In the event Bond Counsel is not designated by the Applicant, the Phoenix IDA shall select Bond Counsel.
- f) “Bond Purchaser” means the entity, or entities, that agree to purchase some or all of an issue of the Phoenix IDA’s bonds for investment and with no intent to resell other than to a parent, subsidiary or other related party.
- g) “Carryforward Project” has the meaning set forth in Section 146(f) of the Code, as may hereafter be amended.
- h) “City” means the City of Phoenix, Arizona.
- i) “City Council” means the City Council of the City of Phoenix.
- j) “Code” means the Internal Revenue Code of 1986, as amended.
- k) “Day” means a calendar day.
- l) “Director” means a member of the Board.
- m) “Finance Team” means all third parties associated with the Project (i.e., all parties except the Applicant and the Phoenix IDA) including, but not limited to, Bond Counsel, Issuer Counsel, Applicant Counsel, Bond Purchaser, Trustee, Underwriter and any other party required to be a part of the transaction.
- n) “Issuer” means The Industrial Development Authority of the City of Phoenix, Arizona.

- o) “Issuer Counsel” means the law firm retained by the Phoenix IDA to represent it in all aspects of the bond financing.
- p) “Legal Counsel” means Bond Counsel and Issuer Counsel, together.
- q) “Meeting” means a Regular Meeting.
- r) “Phoenix IDA” means The Industrial Development Authority of the City of Phoenix, Arizona.
- s) “Proceedings” means proceedings of the Board under which bonds are authorized to be issued as set forth in Arizona Revised Statutes §35-721(a).
- t) “Project” means any “project” authorized by, and defined in, the Act. Each phase of a multiphase Application or Project may be considered to be a separate Project for all purposes.
- u) “Regular Meeting” means a regularly scheduled meeting of the Board.
- v) “Trustee” means a financial institution, trust company, paying agent or other entity generally responsible for transmitting payments to the bondholders and other related parties.
- w) “Underwriter” means any entity that agrees, directly or indirectly, to purchase, or plans to purchase, the Phoenix IDA’s bonds with a view to distribute the bonds publicly or to “accredited investors” or “qualified institutional buyers” as those terms are commonly defined in applicable federal securities laws.

SECTION 2

INTRODUCTION

2.1 Phoenix IDA Board of Director Meetings. Meetings are generally held in person or via electronic conferencing platform, subject to cancellation, or change in date, time, and location.

2.2 Approvals. Pending an initial diligence review, application requests for bond financing may be brought before the Board for approval as described in Section 5. The Proceedings must receive approval from City Council prior to issuance of the bonds.

2.3 Public Nature of Application Process. By filing the Application, the Applicant acknowledges that any information submitted to the Phoenix IDA on its behalf is not privileged or confidential and may be disclosed to the public.

2.4 Purchase and Sale Documentation; Ongoing Disclosure; Denominations. The Applicant and the Bond 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 Phoenix IDA shall have no responsibility for the accuracy or content of the disclosure document(s), except for the sections directly pertaining to the Phoenix IDA. By filing the Application or by agreeing to act as Bond Purchaser or Underwriter, the Applicant and the Bond Purchaser or Underwriter agree to these terms.

The Applicant must provide that the ongoing disclosure obligations, if any, required by SEC Rule 15c2-12 are in a form and substance satisfactory to the Phoenix IDA.

With respect to any bonds issued by the Phoenix IDA, the Applicant must adhere to the bond denomination standards attached as Appendix A.

Any filing with the Securities Division of the Arizona Corporation Commission required by Arizona Revised Statutes §44-1841, et seq., in connection with offering the Phoenix IDA's bonds for public sale is the responsibility of the Applicant, the Bond Purchaser, and the Underwriter.

2.5 Questions Concerning Process and Application; Solicitation of Support. Applicants should not initiate contact with any Director(s) for the purpose of soliciting support for, or discussing, their Application.

Any questions concerning this Procedural Pamphlet, the Application, or the process of obtaining financing through the Phoenix IDA, should be directed to:

Frank Enriquez, Administrator, Commercial Lender

Email: fenriquez@phoenixida.com

Phone: (602) 661-7545

SECTION 3

NO OBLIGATION TO ISSUE BONDS

The Phoenix IDA may issue its bonds only to finance a Project that is authorized by the Act.

The Phoenix IDA reserves the right, among other things:

- (a) to reject the Application or Project in whole or in part for any reason;
- (b) to reject the Applicant's choice of Bond Counsel, Applicant Counsel, Underwriter or Trustee for any reason;
- (c) to require corrections, deletions, changes, additions or amendments to any Proceedings;

(d) to impose any other reasonable requirements as conditions precedent to the issuance of its bonds; and

(e) to postpone consideration of the Application.

SECTION 4

APPLICATION PROCEDURE

4.1 Application and Filing Procedure. The Applicant shall submit an Application, subject to an initial diligence review, and the Application filing fee, generally no fewer than 18 Days prior to the Meeting at which consideration for approval is requested. The Phoenix IDA will have each Application reviewed by its chief executive officer, Issuer Counsel, City of Phoenix staff (including the City Manager's Office), and by any other persons it deems necessary. The chief executive officer, or its designee, shall present a memorandum and resolution to the Board for consideration of the Applicant's request. Material changes to the Application may result in an additional Application filing fee.

4.2 Attendance of Applicant at Meetings. A representative of the Applicant may be asked to attend (in person, by teleconference, or virtually) Meetings at which a new or existing Application is to be considered.

4.3 Fees of the Phoenix IDA. For information about fees, please contact Frank Enriquez (please see Section 2.5 for contact information).

4.4 Related and Ongoing Expenses. The Applicant agrees to pay (i) all costs and third-party expenses related to the proposed financing, including payment on demand of such costs incurred by the Phoenix IDA, including but not limited to, the fees of Legal Counsel and other required professionals and any other reasonably incurred extraordinary costs and expenses related thereto, and (ii) any reasonable costs and expenses incurred after the closing date, including but not limited to, preparation of replacement bonds, amendments to bond documents, hiring of professionals, etc. Applicant should note that if the Phoenix IDA, in its sole discretion, is participating in the transaction in any additional capacity other than a traditional conduit issuer, any additional fees of Issuer Counsel relating to such participation will also be paid by Applicant.

SECTION 5

APPROVAL AND ADOPTION OF PROCEEDINGS

5.1 Preliminary Approval by the Phoenix IDA. The Board may require, or the Applicant may request, consideration of a resolution conditionally granting preliminary approval with respect to an Application. The preliminary approval may be subject to such conditions as the Phoenix IDA, in its sole discretion, may set forth. Except with respect to a Carryforward Project, the Board's preliminary approval will expire on the 180th Day following preliminary approval, or such other time period as the Board may direct in its Proceedings, unless within that time final approval has been granted by the Board or an extension of preliminary approval (see Section 5.4) has been obtained.

5.2 Amendments to and Transfers of Preliminary Approval. The Applicant may request an amendment to preliminary approval by submitting a written request of the amendment to the Phoenix IDA, generally no fewer than 18 Days prior to the Meeting at which consideration of the amendment is requested. 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 submitted to the Phoenix IDA as set forth herein.

The Applicant may request a transfer of preliminary approval to another party. However, the Application fee will become nonrefundable, and all expenses, including those described in Section 4.4 above, will remain the responsibility and obligation of the Applicant. The Applicant's transfer request must be submitted to the Phoenix IDA, generally no fewer than 18 Days prior to the Meeting at which consideration of the transfer is requested, accompanied by:

- a) a written request for transfer by the proposed transferee;
- b) a revised Application, setting forth all information regarding the proposed transferee and any other changes to the transaction resulting from the transfer, and;
- c) the affirmation set forth in Section 7 of the Application, signed by the proposed transferee.

5.3 Final Approval by the Phoenix IDA. The Board shall adopt a resolution granting final approval of the project described in the Application. Current compliance with all applicable provisions of this Procedural Pamphlet is required for consideration by the Board of a request for final approval and adoption of the Proceedings. Except with respect to a Carryforward Project, the Board's final approval will expire on the 180th Day following final approval or as ultimately determined by the chief executive officer of the Phoenix IDA unless the bonds have been issued or an extension of final approval (see Section 5.4) has been obtained.

5.4 Extensions of Approval. Except with respect to a Carryforward Project, the Applicant may request an extension of approval by submitting to the chief executive officer of the Phoenix IDA an extension fee and a written request for such extension setting forth: (a) the date preliminary and/or final approval was granted, (b) the extension period requested, (c) the number of extensions previously granted, and (d) the reasons for the requested extension. The chief executive officer of the Phoenix IDA reserves the right to approve or deny requests for extension for any reason.

5.5 Approval by City Council. After final approval has been granted by the Board, the proposed bond issuance will be referred to the City Council for approval of the Proceedings at a regularly scheduled meeting of the City Council. Phoenix IDA staff will help ensure that the item appears on the selected City Council agenda.

5.6 Carryforward Projects. The Phoenix IDA 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 Board 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 Phoenix IDA, 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 Board'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 Board. The Board's final approval with respect to a Carryforward Project shall expire upon the earlier of the Carryforward Deadline or the issuance of the bonds.

Please note: notwithstanding the type of Application approval (e.g., final, preliminary, etc.), the Phoenix IDA reserves the right to designate as a new Application any approval that incorporates substantive changes from, for example, 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.

5.7 Site Sign During Construction and Upon Completion. For all Projects where construction is contemplated or in progress when bonds are issued, the Applicant shall permit a sign to be posted at the Project site, clearly visible from the roadway, indicating that the Project has been financed through the Phoenix IDA.

SECTION 6

CLOSING REQUIREMENTS AND CONDITIONS

6.1 The Closing. Bond Counsel shall be responsible for coordinating the bond closing.

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

6.3 Indemnity Agreement. As a condition to closing, the Applicant and any third-party guarantor may be required, in the sole discretion of the Phoenix IDA, to execute and deliver to the Phoenix IDA an indemnity agreement acceptable to the Phoenix IDA.

SECTION 7

MISCELLANEOUS

7.1 Conflict of Interest. The Phoenix IDA and the Board are deemed to be subject to Arizona's Conflict of Interest Law (Arizona Revised Statutes, §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 Phoenix IDA or any "relative" (as defined in the Conflict of Interest Law) of any of the foregoing which might prohibit the Phoenix IDA from completing the financing, especially where construction or other contracts may be signed before the bonds are authorized or issued.

7.2 A.R.S. §38-511. A.R.S. §38-511 provides that the State of Arizona (the "State"), its political subdivisions (including the Phoenix IDA) 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.

Notice of A.R.S. §38-511 shall be included in every contract to which the Phoenix IDA is a party.

APPENDIX A

PHOENIX IDA BOND DENOMINATION STANDARDS

{Subject to change without notice}

The following represents the Phoenix IDA's standards regarding bond transaction minimum starting denominations and investor letter requirements:

Investment Grade

Moody's 'Aaa' through 'Baa3'
Standard & Poor's 'AAA' through 'BBB-'
Fitch 'AAA' through 'BBB-'

These ranges encompass 'exceptionally strong credit quality and minimal default risk' on the high end, to 'subject to moderate risk and possess some speculative characteristics' on the low end.

Standard: Bonds will be issued in minimum denominations of \$5,000, or any integral multiple thereof; no investor letter required.

Non-Investment Grade and Unrated Transactions

Standard: Bonds will be issued in minimum denominations of \$25,000, or any integral multiple of \$5,000 in excess thereof; broad investor letter required (investor letter is not required to be a travelling letter); underwriter may sign a single letter on behalf of ultimate investors.

Other Non-Investment Grade and Unrated Transactions

Standard: Bonds will be issued in minimum denominations of \$25,000 (\$50,000 for multifamily housing bonds), or any integral multiple of \$5,000 in excess thereof; broad investor letter required (investor letter is not required to be a travelling letter); sales limited to 'accredited investors' under Regulation D or 'qualified institutional buyers' under Rule 144A; letters must be signed at closing by all ultimate investors.

Deviations from these standards will require approval of the chief executive officer of the Phoenix IDA.