Pursuant to A.R.S. §41-1545 et seq., the Arizona Commerce Authority (ACA) administers the Arizona Competes Fund. Under A.R.S. §41-1545.02, grants from the Arizona Competes Fund may be used for (i) attracting, expanding or retaining Arizona businesses; and (ii) supporting and advancing programs and projects for rural businesses, small businesses and business development that enhance economic development. The ACA’s fiscal year 2014 is July 1, 2013 through June 30, 2014.

Quarterly Report

Below is a summary of quarterly activity under the Arizona Competes Fund during fiscal year 2014.

1st Quarter (7/1/13 through 9/30/13)

Attracting, expanding or retaining Arizona basic enterprises (A.R.S. § 41-1545.02(A)(1)):

1. Grantee: Hotchalk, Inc.
   Awarded: $1,250,000
   Projected Jobs: 595 (NAICS 611699)
   Average Wage: $68,000
   Health Insurance: 65% paid by company
   Potential Capital Investment: $3,300,000

   Awarded: $750,000
   Projected Jobs: 634 (NAICS 621999)
   Average Wage: $55,000
   Health Insurance: 65% paid by company
   Potential Capital Investment: $6,000,000

Supporting and advancing programs and projects for rural businesses and small businesses (A.R.S. § 41-1545.02(A)(2)):

No awards.

Note: Actual job creation and capital investment numbers will not be available until the recipient submits its first annual progress report.

Fund Status

To date in fiscal year 2014, the ACA has awarded two grants in the cumulative amount $2,000,000. Since the inception of the Arizona Competes Fund in July 2011, the ACA has awarded grants in the cumulative amount of $10,700,000 to nine grantees and $6,350,050 to two programs/projects for a grand total of $17,050,050.
## Future Reporting Dates

<table>
<thead>
<tr>
<th>Quarter Report</th>
<th>Reporting Period</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2nd Quarter Report</td>
<td>(10/1/13 through 12/31/13)</td>
<td>January 15, 2014</td>
</tr>
<tr>
<td>3rd Quarter Report</td>
<td>(1/1/14 through 3/31/14)</td>
<td>April 15, 2014</td>
</tr>
<tr>
<td>4th Quarter Report</td>
<td>(4/1/14 through 6/30/14)</td>
<td>July 15, 2014</td>
</tr>
<tr>
<td>Comprehensive Annual Report</td>
<td>(7/1/13 through 6/30/14)</td>
<td>November 3, 2014</td>
</tr>
</tbody>
</table>