ARIZONA COMPETES FUND

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 2014 fiscal year 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.

4th Quarter (4/1/14 through 6/30/14)

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

1. Grantee: Silicon Valley Bank (Center of Excellence)
   - Awarded: $1,000,000
   - Projected Jobs: 250 (NAICS 522110)
   - Average Wage: $75,000
   - Health Insurance: 65% paid by Grantee
   - Projected Capital Investment: $3,500,000

2. Grantee: General Motors, LLC
   - Awarded: $1,300,000
   - Projected Jobs: 738 (NAICS 5415)
   - Average Wage: $71,245
   - Health Insurance: 65% paid by Grantee
   - Projected Capital Investment: $17,738,333

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

1. Name: Rural Economic Development Grant (REDG) Program
   - Objective: The REDG Program is designed to assist rural communities in initiating and sustaining economic development projects that focus on job growth and capital investment in base industries. Competitive grants offered by the REDG Program are intended to promote local self sufficiency by providing direct assistance to rural communities for projects that (i) attract new business development from other
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Released July 15, 2014

states and/or (ii) retain and expand existing businesses.

Awarded: $1,860,000
Grantees: A total of four awards were made to the following Grantees:
1) Mohave County
2) Yuma County
3) City of Nogales
4) City of Globe

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

1. Name: Arizona Innovation Challenge (AIC) Program
   Objective: The AIC Program is a business plan grant competition that awards capital to qualified, innovative start-up and early stage companies to grow their businesses in Arizona.
   Awarded: $1,500,000
   Grantees: A total of six awards were made to the following Grantees:
   1) Amber Alert GPS
   2) EndoVantage
   3) LawLytics
   4) Picnomic
   5) Triton Microtechnologies
   6) World View Enterprises

3rd Quarter (1/1/14 through 3/31/14)

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

No awards.

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

2. Name: Rural Economic Development Grant (REDG) Program
   Objective: The REDG Program is designed to assist rural communities in initiating and sustaining economic development projects that focus on job growth and
grants offered by the REDG Program are intended to promote local self sufficiency by providing direct assistance to rural communities for projects that (i) attract new business development from other states and/or (ii) retain and expand existing businesses.

Awarded: $869,156
Grantees: A total of two awards were made to the following
Grantees:
1) Town of Prescott Valley
2) City of Coolidge

2. Name: Arizona Innovation Challenge (AIC) Program
Objective: The AIC Program is a business plan grant competition that awards capital to qualified, innovative start-up and early stage companies to grow their businesses in Arizona.

Awarded: $1,500,000
Grantees: A total of six awards were made to the following
Grantees:
1) Clear Demand
2) Contatta
3) Deliver-IT
4) Photon Medical Communications
5) Recoleta Digital Media
6) Yolia Health

2nd Quarter (10/1/13 through 12/31/13)

No Awards.

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 Grantee
   Projected Capital Investment: $3,300,000
   Awarded: $750,000
   Projected Jobs: 634 (NAICS 621999)
   Average Wage: $55,000
   Health Insurance: 65% paid by Grantee
   Projected 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.

Fund Status
Since inception of the Arizona Competes Fund in July 2011, the ACA has awarded eleven grants under A.R.S. § 41-1545.02(A)(1) in the cumulative amount of $13,000,000, and has funded two programs under A.R.S. § 41-1545.02(A)(2), in the cumulative amount of $12,079,206, for a total of $25,079,206 in commitments.

Future Reporting Dates
Comprehensive Annual Report (7/1/13 through 6/30/14) November 3, 2014