

Arizona PropTech Sandbox Application

Instructions

Prospective Applicants are strongly encouraged to engage with the ACA prior to formally applying for submission into the Sandbox, in order to discuss the technology and project, and to learn more about the key requirements for operating within the Sandbox. This engagement opportunity will help to determine if the prospective Applicant's project makes sense for the Sandbox, before applying. To be considered for admission into the Sandbox, Applicants must complete this form in full and pay the \$500 application fee. To submit, email the completed application, along with any Supporting Documents, to ptsandbox@azcommerce.com.

If there is not enough room to answer a question on the form, please provide the answer in a Supporting Document. Each Product or Service sought to be Tested requires a separate application, regardless of whether the Applicant has submitted other applications.

Once the application is received, the Applicant will receive an email with an application number and instructions for paying the application fee. The \$500 application fee can be paid with a Visa/MasterCard or by check (cashier's check required for Applicants located outside the United States).

The Arizona Commerce Authority (ACA) will review Sandbox applications on a rolling, as-received basis and will notify Applicants of a decision regarding entry into the Sandbox within 90 days of receiving a complete application and payment of the application fee. This 90-day period may be extended if the Applicant and ACA mutually agree. Additionally, the ACA may request supplementary information after reviewing the initial application submission.

Pursuant to Arizona Revised Statutes §18-609, information and records submitted with this application are not public records and will be disclosed by the ACA only with the Applicant's permission or as authorized by §18-609.

FAQs are available on our website at <https://www.azcommerce.com/proptech>. Any questions about the application, or the Sandbox more generally, should be sent to the ACA at ptsandbox@azcommerce.com.

Arizona PropTech Sandbox Application

Definitions

Terms used in the Application are defined as set forth in in A.R.S. §18-601 and as follows:

“Active Manager” means any individual or entity, paid or unpaid, that: (i) is primarily responsible for Testing the Product or Service; (ii) has direct supervisory authority over the staff Testing the Product or Service; or (iii) serves as an officer or director of the business or business unit that is Testing the Product or Service.

“Applicant” means the individual or entity seeking admittance to the Sandbox through this application.

“Innovative” means using or incorporating new or emerging technology or reimagining uses for existing technology to address a problem, provide a benefit or otherwise offer a product, service, business model, or delivery mechanism that is not known by the ACA to have a comparable widespread offering in Arizona.

“Key Personnel” means all individuals and entities that: meet the definition of an Active Manager; or own, directly or indirectly, 15% or more of the Applicant.

“Product or Service” means the specific real estate or property product or service the Applicant seeks to Test in the Sandbox.

“Required Records, Documents, and Data” means all records, documents, data, memos, reports, and any other recordable piece of information, whether in physical or digital form, relating to the Product or Service, dating from the time this application is submitted to the time of the Applicant’s exit from the Sandbox.

“Sandbox” means the Property Technology Sandbox Program established by Chapter 6 of Title 18 of the Arizona Revised Statutes.

“Supporting Document” means any document, record, or other piece of information, whether in physical or digital form, that may aid in providing the information sought in this application.

“Test” or “Testing” means to provide a Product or Service in the Sandbox as allowed by Chapter 6 of Title 18 of the Arizona Revised Statutes.

“You” or “Your” means the Applicant.

Arizona PropTech Sandbox Application

Full legal name of Applicant

Include all trade names and DBAs

Summary product description

At a high level – more detail to be provided below

Anticipated length of time in the Sandbox

Briefly describe the consumer benefit Your Product or Service Provides

Please clarify the number of potential customers to whom the Product or Service will be made available, as well as the monetary, legal, or other risks to be borne by each customer

For these risks, provide further explanation and Supporting Documents demonstrating that You possess adequate financial capitalization, risk management processes, and management oversight (e.g., financial statements, BSA/AML Program, etc.) to mitigate such risks.

Contact person for inquiries by the ACA regarding Application/Testing

Telephone number(s)

For contact regarding this application and Testing by this Applicant.

Email address(es)

For contact regarding this application and Testing by this Applicant.

Arizona PropTech Sandbox Application

Applicant's website(s)

Include any URL that may be used for Testing.

List Your address(es)

Include address(es) for the location(s) where Testing will be developed and performed and location(s) where Required Records, Documents, and Data will be maintained. If the Applicant is an entity, also include the physical address of the principal place of business (and mailing address if different from the physical address).

Full legal names of Applicant's Key Personnel

Identify all Key Personnel by their respective titles and roles. For each individual, include the primary residential address and date of birth. For each entity, include the address of the principal place of business and the state or foreign jurisdiction of incorporation or formation. Alternatively, you may provide this information in attached Supporting Documents relating to Your corporate governance if such Supporting Documents contain some or all of the information sought by this section.

Of the Key Personnel, identify all Active Managers and provide a brief description of each Active Manager's duties

Contact for consumer complaints

If a different contact than for Application/Testing.

If the Applicant is an entity, provide the state or foreign jurisdiction of incorporation or formation

Arizona PropTech Sandbox Application

Are You or Your business already operating in Arizona? Yes No
If yes, briefly explain the products or services provided and approximately how many consumers are served annually.

If you do NOT currently have a physical presence in Arizona, discuss your plans to establish a presence in Arizona by the time you begin your testing in the Sandbox
Discuss Your business activities that will be established within the State, and your timing of establishing same.

Do You conduct business in a state or foreign jurisdiction other than Arizona? Yes No
If yes, list the jurisdictions and briefly describe Your business activities.

Do You already possess a license or other authorization under another jurisdiction's laws regulating the Product or Service or a similar real estate or property product or service? Yes No
If so, list the license and/or authorization, including any license number, and what product or service it relates to.

Are You licensing or otherwise using any key technology or intellectual property from a third party as part of Your proposed Product or Service? Yes No
If so, provide the name(s) of the third party(ies) and a brief description of what is being licensed or used and whether Your license extends for the duration of the proposed Test.

Arizona PropTech Sandbox Application

If admitted into the Sandbox, will You work with other individuals or entities outside Your business to develop Your Product or Service while it is in the Sandbox or to Test the Product or Service while it is in the Sandbox? Yes No

If yes, provide the following information in a Supporting Document: Name(s); mailing and location addresses; telephone number(s); email address(es); website(s); and a brief description of each individual or entity's role.

Have You or any of Your Key Personnel ever been convicted of a felony; had an order, judgment, or sentence imposed, or entered into an assurance or settlement, for any type of fraud, money laundering, or a breach of fiduciary duty or trust; or been the target of a government investigation or regulatory action related to the provision or advertisement of goods or services? Yes No

If yes, provide the following information in a Supporting Document: Name of the person(s) or entit(ies) involved; jurisdiction(s) in which the incident(s) occurred; case numbers; the date(s) of any conviction(s), judgment(s), and/or other resolution(s).

Explain how Your Product or Service is eligible for the Sandbox

Explain how it is Innovative, including how it is different from other products or services already available in the State. Also explain Your understanding of how the Product or Service, outside the Sandbox, may be subject to regulation under A.R.S. Title 18 (Chapter 6), including Your understanding of which State Agency(ies) is responsible for the regulation You are seeking relief from. Verify that You or Your entity is subject to the jurisdiction of Arizona.

Arizona PropTech Sandbox Application

In the remaining sections, if You already have a business plan, white paper, Product or Service synopsis, or other documentation that contains the information requested, upload those materials as Supporting Documents, and refer to the relevant portions of such materials in the response boxes on this form.

About Your Product or Service

Provide a detailed description that includes how the Product or Service works.

Outline the anticipated consumer/customer experience

Walk through a typical transaction or offering and interaction with your product or service from a consumer's/customer's perspective.

Describe how money, property interests, or title flows in the course of providing Your Product or Service, particularly as it concerns consumers/customers.

What fees do You anticipate charging, either immediately or in the future, in providing Your Product or Service?

Arizona PropTech Sandbox Application

Describe Your Testing plan

Explain the objectives of the Test, how You will determine if the Test was successful or unsuccessful, why You need to Test in a live market, why Your Product or Service would benefit from being introduced into the Sandbox, and, as applicable, why You are not able to proceed with the Test outside the Sandbox.

Product's or Service's stage of development

Please describe where you are in the process of developing the product and being ready to launch in the Arizona market.

Describe the timeline of the proposed Testing plan and key milestones for the Product or Service given the two-year Testing period and any possible extensions

Your description should address estimated timelines for market entry, market exit, and the pursuit of necessary licensure or authorization.

What is Your Consumer/Customer Protection Plan?

Identify the types of consumers/customers likely to participate in Your Test, how You intend to market the Product or Service and disclose Your participation in the Sandbox, the key risks of the Test to consumers/customers, Your plan to address the risks, and how You will monitor and assess the Testing of the Product or Service to protect consumers from the Test's failure.

Arizona PropTech Sandbox Application

What is Your Privacy Policy?

Please include documentation of an official or unofficial policy and the privacy protections that you have built into Your Product or Service, including cybersecurity measures to avoid breaches and protect consumer/customer and transaction data.

What records and data will You keep in the ordinary course of business?

What is Your exit plan?

Explain Your anticipated next steps after the Test is complete, including a wind down plan should such action be necessary. In connection with describing Your wind down plan, specifically address how consumers/customers will be protected if the Test is unsuccessful. If property ownerships are conveyed through testing, explain what those are and how they will be unwound or resolved.

Attestation: I, _____, on behalf of Applicant, attest under penalty of perjury that the foregoing information and attached Supporting Documents are true and accurate to the best of my knowledge after a reasonable investigation of the facts. If accepted into the Sandbox, Applicant agrees to be bound by the requirements of Chapter 6 of Title 18 of the Arizona Revised Statutes and understands that Applicant and Active Managers will be required to acknowledge they are subject to the jurisdiction of the Arizona courts with respect to any action arising out of or relating to Applicant's Testing.

Print Name

Signature

Title

Date