#38

FEB 09 2012

Chandler • Arizona
Where Values Make The Difference

MEMORANDUM **Municipal Utilities Department MUA12-030**

DATE: FEBRUARY 9, 2012

TO: MAYOR AND COUNCIL

THRU: RICH DLUGAS, CITY MANAGER RD
PAT MCDERMOTT, ASSISTANT CITY MANAGER

FROM: DAVE SIEGEL, MUNICIPAL UTILITIES DIRECTOR DS

SUBJECT: APPROVAL OF RESOLUTION NO. 4578 – AUTHORIZING EXECUTION AND DELIVERY OF A "DEVELOPMENT AGREEMENT (FAB 42.1)" WITH INTEL CORPORATION IN CONNECTION WITH THE CONSTRUCTION AND DEVELOPMENT OF "PHASE IV" OF INTEL'S CAMPUS IN THE CITY

RECOMMENDATION:
Staff recommends Council pass and adopt Resolution No. 4578 – authorizing execution and delivery of a "Development Agreement (Fab 42.1)" with Intel Corporation in connection with the construction and development of "Phase IV" of Intel's campus in the City.

BACKGROUND/DISCUSSION:
The City of Chandler and Intel Corporation have a long-standing relationship with respect to Intel's construction and operation of semi-conductor facilities in the City, dating back to the first development agreement between the City and Intel in 1991. Phase IV (Fab 42.1) of Intel's campus in the City of Chandler provides direct and indirect contributions made to the City by Intel by virtue of its property development, including increased property tax revenues based on constructed improvements, and by stimulating economic development in the City.

PROPOSED MOTION:
Move the City Council pass and adopt Resolution No. 4578 – approving the "Development Agreement (Fab 42.1)" with Intel Corporation in connection with the construction and development of "Phase IV" of Intel's campus in the City and authorize the Mayor to sign all necessary documents.

Attachments:
Resolution No. 4578
Development Agreement

RESOLUTION NO. 4578

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING EXECUTION AND DELIVERY OF A "DEVELOPMENT AGREEMENT (FAB 42.1)" WITH INTEL CORPORATION IN CONNECTION WITH THE CONSTRUCTION AND DEVELOPMENT OF "PHASE IV" OF INTEL'S CAMPUS IN THE CITY

WHEREAS, the City of Chandler and Intel Corporation have a long-standing relationship with respect to Intel's construction and operation of semi-conductor facilities in the City, dating back to the first development agreement between the City and Intel in 1991; and

WHEREAS, the City recognizes the direct and indirect contributions made to the City by Intel by virtue of the development of its property, including increasing property tax revenues based on the improvements constructed on the property, stimulating economic development in the City, and providing jobs in the City; and

WHEREAS, Intel has constructed its facilities in the City in "phases," and the City and Intel have previously entered into development agreements with respect to each of the previous phases; and

WHEREAS, the previous development agreements for Phases I through III have contemplated future phases of development at the property; and

WHEREAS, Intel is now constructing "Phase IV" or "Fab 42.1" on its property; and

WHEREAS, the City recognizes the benefits to the City from the construction by Intel of its Phase IV development; and

WHEREAS, the City and Intel must set forth, among other matters, the rights and responsibilities of the City and Intel with respect to the provision of water to the property and the construction of certain water treatment facilities required in connection with the operation of Fab 42.1; and

WHEREAS, Intel has agreed, among other matters, to pay the City for the additional water that Intel requires for the operation of Fab 42.1; and

WHEREAS, Intel has agreed, among other matters, to pay the City for the cost of additional water treatment facilities required in connection with wastewater to be discharged from Fab 42.1; and

WHEREAS, and in addition to the other direct and indirect benefits to be received by the City as a result of the construction and operation of Phase IV, the City will directly benefit from the additional utility facilities that will be constructed in connection with Intel's expanded operations at the property; and

WHEREAS, the City has found and determined that there exists a public purpose that is served by entering into a Phase IV development agreement with Intel; and

WHEREAS, the City has determined that the benefits to the City from its entering into a Phase IV development agreement with Intel are equivalent to the benefits being conferred upon Intel.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chandler, Arizona, that certain "Development Agreement (Fab 42.1)" with Intel Corporation, a Delaware corporation, in the form attached hereto, is hereby approved; and the Mayor is hereby authorized to execute and deliver the foregoing described "Development Agreement (Fab 42.1)" on behalf of the City of Chandler.

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this 9th day of February, 2012.

ATTEST:

_____ _____

CITY CLERK MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 4578 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a meeting held on the 9th day of February, 2012, and that a quorum was present at such meeting.

_____

CITY CLERK

APPROVED AS TO FORM:

_____

CITY ATTORNEY

WHEN RECORDED RETURN TO:

City Clerk
City of Chandler
Post Office Box 4008, MS 606
Chandler, Arizona 85244-4008

DEVELOPMENT AGREEMENT
(FAB 42.1)

This Development Agreement ("Agreement") is made as of the ___ day of February, 2012, by and between the City of Chandler, Arizona, an Arizona municipal corporation (which together with any successor public body or officer hereafter designated by or pursuant to law, is hereafter called the "City"), and Intel Corporation, a Delaware corporation (which together with its successors and assigns, is hereafter called "Intel"). The City and Intel may be referred to individually in this Agreement as a "Party," or collectively as the "Parties."

RECITALS:

A. Intel is the owner of that certain real property located within the City and more particularly described on Exhibit "A" attached hereto (the "Property"), upon which Intel previously has built Fab 12 and related support buildings ("Phase I"), Fab 22 and other related buildings ("Phase II"), and Fab 32 and other related buildings ("Phase III"). Intel and the City previously have entered into separate development agreements for each of Phase I, Phase II and Phase III, respectively. The development agreement for Phase I may be referred to in this Agreement as the "Phase I Agreement"; the development agreement for Phase II may be referred to in this Agreement as the "Phase II Agreement"; and the development agreement for Phase III may be referred to in this Agreement as the "Phase III/June 2005 Development Agreement."

B. In furtherance of achieving the City's goal of developing the Property as provided for in the City's General Plan, Intel has proposed to the City that Intel will continue to expand its development at the Property in two additional phases. "Phase IV" (also referred to in this Agreement as "Fab 42.1" or "Current Phase") consists of a new semiconductor manufacturing facility and related support buildings as set forth in the Preliminary Development Plan for the Property, as amended ("PDP"), which is attached to this Agreement as Exhibit "B." Phase IV will consist of a new semiconductor manufacturing facility and related support buildings as set forth in the Preliminary Development Plan Amendment #3 as approved by the City Council. The other additional development phase would consist of one additional semiconductor manufacturing facility (the "5th Fab") and related support buildings as set forth in the PDP, as amended (referred to therein and in this Agreement as "Revised Future Phase").

C. The City believes that the continued development of the Property by Intel will enhance the economic viability of the City by (i) increasing property tax revenues based on the improvements projected to be constructed on the Property, (ii) stimulating economic development in the City, and (iii) creating jobs in the City.

D. Intel expects, based upon both current projections and its prior experience, that the Current Phase will generate (i) a large number of construction-related jobs within the City during the course of

construction, and (ii) approximately one thousand non-construction jobs that will be new, permanent, and full-time.

E. In reliance upon the City's execution of this Agreement (which reliance the City and Intel acknowledge to be reasonable), Intel intends to prepare architectural, engineering and landscaping designs and plans for submission to the City for approval. In reliance upon Intel's execution of this Agreement (which reliance the City and Intel acknowledge to be reasonable), the City intends to begin negotiating with third-parties for the acquisition of water rights.

F. The City recognizes that Intel may at future dates choose to construct different or additional facilities than those specifically set forth as Phase IV and Revised Future Phase on the Property, as permitted by law, but subject in all events to City approval.

G. The Parties agree and intend that the acts of the Parties described in and required by this Agreement (including but not limited to the obligations of the City to deliver water and to treat Wastewater, and to waive certain fees; and the acts of Intel to develop Fab 42.1, to provide payments for water rights and certain infrastructure as more fully set forth below, and to provide employment opportunities in the City), none of which the Parties are presently obligated or under any legal compulsion to do, but which represent a free and voluntary decision by each Party to this Agreement) are specifically and expressly "bargained for" by and between the Parties as part of the Parties' promised performance to each other, and therefore constitute "consideration" to support this Agreement. For the purposes of this Agreement, "Wastewater" shall mean water that leaves the Property via a sanitary sewer.

AGREEMENTS:

In consideration of the foregoing, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

1. PLANS AND SPECIFICATIONS

1.1. Scope of Development. Intel's plans for Phase IV and Revised Future Phase set forth a conceptual land use and density for the rest of the undeveloped Property. Intel and the City shall work together using reasonable best efforts throughout the legally required planning process to obtain expedited approvals.

1.2. Intel's Phase IV and Revised Future Phase. The approval by the City of this Agreement constitutes affirmative representation by the City, on which Intel is entitled to rely, that Intel, notwithstanding subsequent changes of the zoning or land use controls applicable to the Property after the date of this Agreement, or after the date of any amendments to this Agreement, or zoning on this Property are approved, (i) shall be authorized to implement the uses, density and intensity, set forth within the Phase IV and Revised Future Phase, and (ii) will be accorded through the legally required planning process the approvals reasonably necessary to permit Intel to proceed with and implement the proposed development, including any amendments thereto, subject to the City's customary standards for review and approval of site plans and architectural plans, including design review expedited pursuant to this Agreement. Intel and the City shall work together using commercially reasonable efforts throughout the planning stages to resolve any comments by either Party regarding the proposed development, provided, however, that if Intel believes at any stage that it has reached an impasse regarding any issue with the City's staff, such dispute shall be resolved in accordance with the dispute resolution provisions of Subsection 6.2 hereof and, if resolution is not reached thereby, Intel at its option may abandon its plans to develop Phase IV and Revised Future Phase in the City.

1.3. Approval of Final Site Development Plans. Intel may, at its discretion, submit plans and specifications in various phases to the City for approval. The City's failure to approve final plans and specifications or any action by the City which would otherwise preclude Intel from realizing the land use or intensities specified as Phase IV and Revised Future Phase, shall be an event of default by the City under this Agreement; provided, however, that nothing herein shall preclude the City from the reasonable exercise of its normal review and approval processes, and the City shall not act in an arbitrary or capricious manner. Such default shall excuse Intel from proceeding with its plans to develop Phase IV and Revised Future Phase in the City.

1.4. PDP Approval. This Agreement shall be contingent upon Intel receiving Preliminary Development Plan ("PDP") approval which authorizes the Phase IV and Revised Future Phase use on the Property. Intel recognizes that the decision of the City Council on the PDP is a decision separate and apart from approval of this Agreement, and that the City Council must approve or disapprove the PDP based on land use decisions after considering all facts presented at a public meeting. Neither Intel nor the City shall be liable to the other for actions taken by the other under this Agreement until such time as the PDP is approved. If the PDP for Phase IV and Revised Future Phase does not become effective within ninety (90) days of application, Intel shall have the option of abandoning or delaying its plans to develop Phase IV and Revised Future Phase in the City.

2. INTEL OBLIGATIONS

2.1. Construction of Phase IV. Provided all Phase IV plans and specifications are approved as described in Section 1, and the Intel Board of Directors approves Phase IV and its construction on the Property, Intel agrees to commence construction of Phase IV within eighteen (18) months after conditional announcement of Phase IV by Intel. Intel intends for construction to be completed within forty-two (42) months of the date of the start of construction. Intel reserves the right to cancel or delay construction of Phase IV for reasonable business reasons.

2.2. Construction of Revised Future Phase. The City acknowledges that Intel is not obligated to proceed with Revised Future Phase. However, if all Revised Future Phase plans and specifications are approved as described in Section 1, and the Intel Board of Directors approves part or all of the Revised Future Phase (i.e., the 5th Fab and related buildings) and its construction on the Property, Intel agrees to commence construction of Revised Future Phase within a reasonable time after conditional announcement, but in no event later than eighteen (18) months after such conditional announcement. Once conditional announcement of part or all of the Revised Future Phase has been made, Intel reserves the right to cancel or delay construction of Revised Future Phase for any reason.

2.3. On Site Improvements. In consideration of this Agreement and as a condition precedent to obtaining issuance of Certificate of Occupancy for any new building on any portion of the Property, Intel agrees at its sole cost and expense to plan, design and construct or cause to be constructed all on-site improvements related to Phase IV and Revised Future Phase, including buildings, parking lots, landscaping, signs and all on-site utilities including but not limited to the construction of on-site roads built to present City standards for private roads.

2.4 Bonds. Intel agrees to require its contractors to post and maintain bonds for any on-site or off-site work required to be constructed with an encroachment permit. Furthermore, Intel or its contractors will be required to hold an open bond on any on-site or off-site construction that will be turned over to the City to run and maintain, until such time as the City signs off on a receipt of such infrastructure.

2.5. Fees and Taxes. Intel has paid all City fees owed as a result of construction of Phases I, II and III, including fire, police, general government and arterial streets impact fees, building permit, engineering review, recording, water system development and buy-in sewer system development and buy-in (collectively referred to as "System Development Fees"). To the extent Phase IV has any impact to infrastructure at large, the City agrees to accept, as payment for applicable System Development Impact Fees (i.e., fire, police, general government and arterial streets impact fees, recording, and buy-in), any remaining credit in the amount of $1,000,000.00 from the land donation from Intel to the City remaining from Phase III as set forth in the Phase III/June 2005 Development Agreement, and from the acceleration of credits earned by Intel as of the execution date of this Agreement resulting from infrastructure improvements it funded previously. Any outstanding balance due to the City for applicable System Development Impact Fees for Phase IV, will be paid by the City, and no additional fees relating to System Impacts for Phase IV will be due from Intel. Notwithstanding the foregoing, Intel shall pay applicable plan check, building permit fees, and applicable local sales taxes. Since Intel is paying for the water, Wastewater and Reclaimed Water infrastructure that it will be using for Phase IV, no infrastructure impact fees shall be owing from Intel in connection with such infrastructure. The City agrees to deduct from the total cost of said fees and accept as payment for water system development and buy-in sewer system development fees any infrastructure improvement costs relating to the water and Wastewater systems Intel previously funded relating to Phase IV.

2.6. Intel's RO Wastewater; Chandler RO. Intel and the City will mutually agree to the appropriate segregation of Intel's RO Wastewater to maximize its beneficial use. Intel shall continue to pay maintenance and operations fees for the City maintaining the City's reverse osmosis water recharge and reuse system ("Chandler RO"). The City will dedicate the Chandler RO system capacity solely to Intel unless, at Intel's sole discretion, Intel is willing to allow the City to use a portion of the Chandler RO system capacity with City reimbursement as the Parties may agree from time to time. Intel agrees to assist the City in obtaining any needed State of Arizona permits. For the purposes of this Agreement, "Intel's RO Wastewater" means water that leaves the Property via a pipeline to the Chandler RO.

2.7. Water Supply.

2.7.1 Existing Supply of Potable Water. The City has previously agreed to supply Intel with up to 7.1 million gallons per day ("MGD") of Potable Water to serve Phase I, Phase II, and Phase III (the "Existing Supply"). The City agrees to continue to supply the Existing Supply to Intel (in quantities not to exceed 7.1 MGD day), to serve Intel's uses at the Property at the standard industrial rate.

2.7.2 Additional Potable Water. Intel has stated that the present supply of Potable Water is not sufficient to serve Phase IV, and that it requires 3.3 MGD of Potable Water in addition to the Existing Supply (the "Additional Water") to serve Phase IV.

A. The City agrees that it will supply the Additional Water to Intel for use at the Property in a quantity up to 3.3 MGD. Such water resources also will be supplied to Intel at the standard industrial rate.

B. In consideration for the City's agreement to provide the Additional Water, Intel agrees to make a one-time payment of Eight Million and no/100 Dollars ($8,000,000.00) to the City to assist the City in obtaining water rights for the Additional Water. This payment will be due from Intel to City no later than the third (3rd) anniversary of the Effective Date of this Agreement. The Additional Water rights (and any Reclaimed Water rights) will be the sole property of the City, and the City will have the sole and exclusive right to use the Additional Water rights (and any Reclaimed Water rights).

C. For the purposes of this Agreement, "Potable Water" shall mean water supplied to the Property by the City that meets all applicable federal, state and City standards for drinking water. If the Potable Water supplied by the City is required by Intel to be of a different quality, then Intel shall process the Potable Water delivered by the City to satisfy Intel's requirements at Intel's sole cost and expense.

2.7.3 Water Delivery Infrastructure. For the City to deliver the Additional Water to the Property or deliver additional Reclaimed Water to the Property, new infrastructure is needed, as follows:

2.7.3.1 Potable Water Infrastructure.

A. 24-inch Transmission Line. The City will construct within City rights-of-way and in accordance with the City's design and specifications, a 24-inch Potable Water transmission line from Dobson Road to McQueen Road, to connect to the Intel water main loop. The City will supply Intel with such information as may be reasonably required by Intel to confirm the Cost of Construction, and Intel will be solely responsible for all Cost of Construction of such transmission line; provided, however, any overage in the Cost of Construction (e.g., a change order originating with a Party) will be paid by Intel or the City, depending on whose actions cause the overage. If the overage has been agreed to by the Parties, or if the cause of the overage cannot be reasonably determined, the City and Intel will each pay one-half of the overage. The City will bill Intel monthly for the Cost of Construction (and any applicable overage) incurred during the previous thirty-day period (or any cost or charge which may have been previously unbilled), with payment required to be made by Intel to the City within ten business (10) days of Intel's receipt of the monthly bill, accompanied by complete copies of contractor's and materialmen's (or other) invoices to substantiate the billed amounts. For the purposes of this Agreement, "Cost of Construction" means all direct costs, fees, or expenses associated with the construction, including: design and engineering costs; the cost of any land, easements, rights-of-way or other real property interests required in connection with the construction; broker commissions; escrow fees and premiums for title insurance (including endorsements); permitting fees and costs; amounts paid to contractors, subcontractors and material suppliers; amounts paid to construction managers and similar personnel; the cost of studies or reports required in connection with the construction; casualty, "wrap" and liability insurance; the cost of any appurtenant facilities and structures; and staging costs. Cost of Construction will only include costs, fees, or expenses directly associated with the construction and will not include indirect costs, fees, or expenses unless the indirect costs, fees, or expenses are actually increased as a result of the construction, and then only in the amount of the increase. By way of illustration of the foregoing, and not of limitation, if the City maintains insurance in its normal course of business that includes liability coverage for acts during construction, the cost, or allocable portion of the cost, of such insurance would not be included as a Cost of Construction; but if the City were required to purchase additional insurance, through endorsement or a new policy, such cost would be deemed a Cost of Construction.

B. Reservoir and Booster Station. Intel acknowledges that the City has advised that, until the completion of the 24-inch transmission line described in Section 2.7.3.1(A), without a new reservoir and booster station sufficient to mitigate water pressure changes and disruptions in service, there may continue to be changes in water pressure and disruptions in service in connection with the delivery of Potable Water to the Property by the City, for which the City has, and shall bear, no liability unless such changes in pressure or disruptions in service are caused by the intentional acts or the gross negligence of the City, its employees or contractors.

2.7.3.2 Reclaimed Water Infrastructure.

A. Delivery Infrastructure. The City does not currently have sufficient Reclaimed Water pipeline infrastructure capacity to deliver Reclaimed Water to the Property in excess of quantities being delivered as of the Effective Date by Ocotillo Management Group, a third-party provider. The City, in cooperation with Intel, will develop a plan to deliver Reclaimed Water to Intel in excess of existing quantities. Following approval by the City and Intel of such a plan and the Cost of Construction, the City will construct such Reclaimed Water delivery infrastructure, and Intel will pay all Cost of Construction; provided, however, any overage in the Cost of Construction (e.g., a change order originating with a Party) will be paid by Intel or the City, depending on whose actions cause the overage. If the overage has been agreed to by the Parties, or if the cause of the overage cannot be reasonably determined, the City and Intel will each pay one-half of the overage. The City will bill Intel monthly for the Cost of Construction (and any applicable overage) incurred during the previous thirty-day period (or any cost or charge which may have been previously unbilled), with payment required to be made by Intel to the City within ten business (10) days of Intel's receipt of the monthly bill, accompanied by complete copies of contractor's and materialmen's (or other) invoices to substantiate the billed amounts. For the purposes of this Agreement, "Reclaimed Water" shall mean water that has been treated at a City of Chandler Wastewater treatment facility.

B. Reservoir and Booster Station. Intel will construct on the Property, at its sole cost and expense, a reservoir (or storage) tank and booster station, with adequate storage capacity for Reclaimed Water. Such construction will be completed no later than completion of construction of the Reclaimed Water delivery infrastructure described in Section 2.7.3.2(A) that will be connected to the City Reclaimed Water system. The failure of Intel to complete the reservoir and booster station in accordance with this Section 2.7.3.2(B) discharges the City's obligation to deliver (or cause to be delivered) Reclaimed Water to the Property until such time as the reservoir and booster station have been completed.

C. ASR Wells. The City will construct three (3) aquifer storage and recovery wells (each, an "ASR Well," and collectively, the "ASR Wells") on City-owned land, to provide not less than 3.1 million gallons per day cumulative capacity. The ASR Wells will be designed and constructed by the City to City standards, as determined by the City in its sole election, and in compliance with all public bidding and other applicable laws. The City may construct the ASR Wells in phases, if the City so elects, with construction of the first ASR Well to commence following the Effective Date of this Agreement. Intel will pay all Cost of Construction. The City will provide Intel with suitable information to establish the Cost of Construction of each ASR Well, and Intel shall pay to the City the Cost of Construction of each ASR Well within ninety (90) days after notification by the City of a City Council award and issuance of a notice to proceed. The City will receive all credits for all Reclaimed Water from such wells.

D. Reverse Osmosis Filtration. Intel agrees to modify the Chandler RO on City-owned land adjacent to the Property to meet two key design criteria: (i) the Brine Discharge volume to the brine ponds not exceed the evaporation rates of the brine ponds, and (ii) there be no discharge into the City's sanitary sewer system (except on a demonstration of need and upon prior approval by the City of any such discharge in the City's reasonable discretion). For the purposes of this Agreement, "Brine Discharge" shall mean the waste stream produced by the Chandler RO. Intel may, at its sole discretion and option, expand the Chandler RO capacity and, as set forth in Section 3.5.6 of this Agreement, use the Chandler RO Permeate. Intel will pay the Cost of Construction of the modification and any future expansion. Any such expansion also must meet applicable City Standards and the two key design criteria set forth above. The completion of construction of the modification to the Chandler RO described in this Section 2.7.3.2(D) will be no later than twenty-four (24) months following the completion of construction by Intel of its Phase IV facility (FAB 42.1). Upon completion of construction and approval by the City, such modified or expanded facilities at the Chandler RO will be dedicated to the City, and will continue

to be operated and maintained by the City in accordance with all City standards during the term of this Agreement at Intel's sole cost and expense.

2.8 Property Tax Makeup. Intel has projected that the value of all real and personal property comprising Phase IV and Revised Future Phase will be in excess of normal industrial property. Therefore, Intel agrees that if the total City property taxes on all real and personal property comprising either Phase IV and related buildings, or the 5th Fab and related buildings, are less than Three Hundred Seventeen Thousand Dollars ($317,000.00) per phase/Fab in any one year, Intel will pay the shortfall amount to the City. This property tax makeup applies to each phase/Fab and will continue for ten (10) years beginning one year after the date the certificate of occupancy is obtained for Phase IV (and related buildings) and the 5th Fab and related buildings, respectively.

2.9 Intel Contributions. Intel confirms and acknowledges that, in the Phase II Agreement and the Phase III/June 2005 Development Agreement, Intel has agreed to provide a technology resource fund to the City of One Hundred Eighty Thousand and no/100 Dollars ($180,000.00) annually, through and including 2022, for use by City libraries to upgrade and enhance technology, technology outreach, and community access to technology.

2.10 Proposed Job Creation. In connection with the job creation proposed to result from Fab 42.1, and upon reasonable written request from the City, Intel agrees to provide to the City non-confidential information showing Intel's progress in creating jobs of the nature described in Recital D.

2.11 Chandler Unified School District. Prior to the construction of Fab 42.1 and the 5th Fab, respectively, Intel will meet with the Chandler Unified School District to discuss their cooperative technology initiatives.

2.12 Universities and Colleges. Intel and the City will collaborate to explore opportunities with Arizona universities and colleges with the goal of enhancing Chandler's high tech employment base.

3. CITY OBLIGATIONS

3.1. Diligence in Review and Process. The City acknowledges and agrees the proposed Phase IV and Revised Future Phase will be reviewed in accordance with Subsections 1.1, 1.2 and 1.3 hereof. In connection with the proposed development and the issuance of building permits, construction inspections and the issuance of the Certificates of Occupancy, the City agrees to accelerate all approvals, inspections and permitting processes to the greatest extent possible at no additional cost to Intel, as long as Intel provides office space, furnishings and computers on the Property. The City will not impose any unusual or extraordinary plan or design review requirements. The fast-tracking and priority scheduling program will take into account, among other things, the magnitude and scope of Phase IV and Revised Future Phase, mixed use and phasing consideration, construction document review, permitting, inspection and City approval matters, and shall also provide for dispute resolution in the manner provided in Subsection 3.3.

3.2. Appointment of Representative. In order to further expedite decisions by the City, the City agrees to designate the City Manager or designated representative as the representative of the City to act as a liaison between the City and Intel, and between the City's various departments and Intel. The City representative shall be available at all reasonable times to serve as such liaison, it being the intention of this paragraph to provide Intel with one individual utilized consistently as the City's principal representative. Intel shall also designate an Intel representative who shall serve as a liaison between the Phase IV and Revised Future Phase projects and the City. The City representative and the Intel representative shall be identified by the City and Intel and communicated to the other.

3.3. Expedited City Decisions. The City and Intel agree Intel must be able to proceed rapidly with the proposed development. Accordingly, an expedited City review process is essential. Accordingly, the Parties agree that if at any time Intel believes that an impasse has been reached with the City or an unreasonable delay affecting the proposed development, Intel shall have the right to immediately appeal to the City representative for an expedited decision pursuant to this paragraph. If the issue on which an impasse or delay has been reached is an issue where a final decision can be reached by City staff, the City representative shall give Intel a final decision within six (6) business days after the request for an expedited decision is made. If the issue on which an impasse or delay has been reached is one where a decision requires City Council action, the City representative shall be responsible for scheduling a City Council hearing on the issue within two (2) weeks after the request for an expedited decision is made. If an impasse or delay still exists forty-five (45) calendar days after Intel's request for an expedited decision, Intel shall then have recourse to its remedies at law or equity pursuant to Section 7.4 hereof, and may immediately cease all activities in connection with construction of Phase IV and/or Revised Future Phase in the City.

3.4. Liaison Services.

3.4.1. The City shall provide a liaison representative with the State of Arizona, Department of Environmental Quality, Department of Water Resources, Maricopa County and the Maricopa County Association of Governments to expedite environmental permits.

3.4.2. The City shall provide liaison services and a liaison representative with the State of Arizona Commerce Authority, Commerce and Economic Development Commission and the Maricopa Community Colleges to pursue job training assistance.

3.5. Wastewater Treatment. The City will accept from Intel all process and Wastewater from the Property that satisfies or complies with all applicable federal, state and City pre-treatment standards (as the same may be amended from time to time). As used in this Section 3.5, the term Wastewater does not include Intel's RO Wastewater as defined in Section 2.6 of this Agreement.

3.5.1 Existing Treatment. With the infrastructure existing as of the Effective Date, the City can accept up to 4.1 MGD of Wastewater from Intel's activities at the Property.

3.5.2 Additional Treatment. In Phase IV, Intel will be generating more Wastewater than the amounts presently capable of being treated by the City, and accordingly will require the City to accept up to an additional 6.3 MGD of Wastewater from Intel's activities at the Property. Accordingly, the City agrees to accept Wastewater from Intel and the Property not exceeding 10.4 MGD. This agreement to accept the additional 6.3 MGD Wastewater is conditioned on the development of an "interim plan" in accordance with Section 3.5.3 and the construction of additional Wastewater treatment infrastructure as set forth in Section 3.5.4. Intel understands that in order to accept this additional Wastewater, the City is required to make various changes to its Wastewater treatment infrastructure as described in Section 3.5.4 below, including a 7 MGD expansion of the City's Airport Water Reclamation Facility ("AWRF"). Intel acknowledges that this 7 MGD expansion will be designed to treat 25,100 pounds per day of domestic equivalent chemical oxygen demand ("COD"), and that the Expanded Wastewater Treatment Infrastructure will be designed to treat 10.4 MGD of Intel's Wastewater which contains 33,600 pounds per day of domestic equivalent COD and 3,500 pounds per day of total nitrogen.

3.5.3 Interim Treatment. City staff and Intel will work together to develop an "interim plan" for the acceptance and treatment of Wastewater in quantities exceeding the Existing Treatment amount, that are anticipated to be produced prior to the City's receipt of an "approval to operate" the 7

MGD expansion facility described in Section 3.5.1.4(C). Such "interim plan" cannot provide for acceptance and treatment of Wastewater in quantities less than the Existing Treatment amount. Intel and City staff will reasonably agree on all plans or studies needed to develop such "interim plan." Intel will be solely responsible for the cost of such agreed upon plans or studies and will be bound by such "interim plan" upon its acceptance by City staff.

3.5.4 Expanded Wastewater Treatment Infrastructure. In order to process Wastewater in the quantities anticipated from Phase IV, Intel agrees and acknowledges that the City's existing Ocotillo Water Reclamation Facility ("OWRF") is insufficient. Accordingly, additional infrastructure at the AWRF is required to be designed and constructed as follows ("Expanded Wastewater Treatment Infrastructure"):

A. A new lift station at OWRF and 36-inch (nominal inside diameter) force main from OWRF to AWRF, to handle up to approximately 20 million gallons of Wastewater per day. One-half of this infrastructure will serve the Property exclusively, and one-half will be available to and used by the City for other municipal purposes; provided, however, the City will have the right to reallocate capacity as long as up to 10 million gallons of Intel's Wastewater are treated per day. This infrastructure will be designed and constructed by the City to City standards, as determined by the City in its sole election, and in compliance with all public bidding and other applicable laws. The Cost of Construction of this infrastructure will be paid one-half by Intel, and one-half by the City. The City will bill Intel monthly for Intel's one-half portion of the Cost of Construction incurred during the previous thirty-day period (or any cost or charge which may have been previously unbilled, and subject to credits for amounts previously paid by Intel), with payment required to be made by Intel to the City within ten business (10) days of Intel's receipt of the monthly bill, accompanied by complete copies of contractor's and materialmen's (or other) invoices to substantiate the billed amounts.

B. A new 42-inch (nominal inside diameter) relief sewer line from the new lift station described in Section 3.5.1.4(A), to the boundary line of the Property. The City previously has paid all design costs in connection with such relief sewer line. The Parties will reasonably agree on the plans and specifications for such relief sewer line and the Cost of Construction. The City will pay Two Million, Seven Hundred Thousand and no/100 Dollars ($2,700,000.00) of the Cost of Construction of such relief sewer line, and Intel will pay the balance of any agreed Cost of Construction. Any overage in the Cost of Construction (e.g., a change order originating with a Party) will be paid by Intel or the City, depending on whose actions cause the overage. If the overage has been agreed to by the Parties, or if the cause of the overage cannot be reasonably determined, the City and Intel will each pay one-half of the overage. The City will bill Intel monthly for its share of the Cost of Construction (and any applicable overage), with payment required to be made by Intel to the City within ten business (10) days of Intel's receipt of the monthly bill, accompanied by complete copies of contractor's and materialmen's (or other) invoices to substantiate the billed amounts.

C. An expansion of AWRF to increase AWRF's treatment capacity by 7 MGD (*i.e.*, being the additional 6.3 MGD described in Section 3.5.1.2, plus 700,000 gallons per day as a regulatory buffer), as the amount anticipated to be required in connection with Phase IV. This expanded infrastructure will be designed and constructed by the City to City standards, as determined by the City in its sole election, and in compliance with all public bidding and other applicable laws. On or before April 1, 2013, Intel and the City will agree on the expected Cost of Construction of the AWRF infrastructure expansion. That expected AWRF Cost of Construction will be supported by contractor estimates or other reliable information and will be documented in writing between the Parties. Any overage in the Cost of Construction (e.g., a change order originating with a Party) will be paid by Intel or the City, depending on whose actions cause the overage. If the overage has been agreed to by the Parties, or if the cause of the overage cannot be reasonably determined, the City and Intel will each pay one-half of the overage. The

City will bill Intel monthly for the Cost of Construction incurred during the previous thirty-day period (or any cost or charge which may have been previously unbilled) and, in the event of an overage, the City will bill Intel monthly for its proportionate share of any such agreed upon overage, with payment required to be made by Intel to the City within ten business (10) days of Intel's receipt of the monthly bill, accompanied by complete copies of contractor's and materialmen's (or other) invoices to substantiate the billed amounts.

3.5.5 Additional Funding. The City agrees to work with Intel to meet with other government entities (e.g., Maricopa County, State of Arizona, U.S. Government, etc.) to seek contributions from such other government entities to pay a portion of Intel's costs associated with this expanded Wastewater treatment infrastructure. Subject to compliance with all applicable laws, the City further agrees to make available financing mechanisms (e.g., bonding authority) that could be used to facilitate direct contribution from these government entities to the City for the costs of the expanded Wastewater treatment infrastructure.

3.5.6 Reclaimed Water Rights. The City shall own all rights and usages to the past, current and future Reclaimed Water and all Chandler RO Permeate Water. Notwithstanding the foregoing, the City will allow Intel directly to use Chandler RO Permeate Water at the Property at no additional cost or charge for such water. For the purposes of this Agreement, "Chandler RO Permeate Water" shall mean water that has been treated by the Chandler RO.

3.6. Old Price Road. To obtain proper ingress/egress from the site, the City understands that Old Price Road may require modifications to provide for that access. The City is in support of providing, where it can, easements on City property to complete the necessary improvements.

3.7 Construction Entrance. The City agrees to allow, as in previous Fab construction, a construction access off of Dobson Road to include a temporary traffic signal to mitigate traffic.

4. FOREIGN TRADE ZONE TAXATION

4.1. Tax Classification. A.R.S. § 42-12006 provides that any real and personal property within the boundaries of a Foreign Trade Subzone may be classified as Class 6 property for taxation ("Class 6"); provided, however, such classification applies only to the area that is activated for Foreign Trade Zone use by the District Director of the U.S. Customs Service, pursuant to 19 C.F.R. 146.6, A.R.S. § 42-162.01, and the procedures of the Maricopa County Assessor (the "Assessor") require that the owner notify the Assessor that a reclassification of property to Class 6 should be made. Upon completion of Phase IV, the entire Property (currently estimated at 697.6 acres) of the Intel Ocotillo Site shall be included in the Foreign Trade Subzone, and the City shall cooperate with Intel in taking all measures necessary to effectuate such change in tax classification.

5. TIME SCHEDULES

5.1. Excused Delay in Performance. In addition to specific provisions of this Agreement, performance by a Party shall not be deemed to be a default where delays or inability to perform are due to war, insurrection, acts of terrorism, strikes, lockouts, riots, floods, earthquake, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restriction, freight embargoes, lack of transportation, governmental restrictions or priority, unusually severe weather, inability (when the Party which is unable to perform is substantially without fault) of any contractor, subcontractor or supplier to perform acts of the such Party, or acts or the failure to act, of any utility, public or governmental agent or entity, litigation relating to the Project initiated by a third-party beyond the control or without the fault of the Parties. In the event that a Party is unable to perform due to an event constituting *force majeure* as

provided for above, and such excused delay is the proximate cause of the Party being unable to perform in accordance with the terms of this Agreement, then the time for performance of such Party shall be extended for a period of time equal to the period of the delay. An extension of time for any such cause shall only be for the period of the enforced delay, which period shall commence to run from the time the Party claiming the enforced delay has notified the other Party, in writing, of the basis for the claim of enforced delay, and the commencement of the cause. If such *force majeure* materially and adversely impacts the economic viability of Phase IV or Revised Future Phase (in Intel's reasonable commercial discretion), Intel shall have the right, if applicable, to stop or delay construction.

5.2. Subdivision Requirements. The Parties acknowledge and agree that in connection with the Land Donation referenced in the Phase III/June 2005 Development Agreement and general development of the Property, in phases or otherwise, Intel may need to further subdivide the Property and, in connection therewith, may need to obtain subdivision approvals. The City agrees that it will expedite approvals of all requests for subdivision approvals in connection with the Property, including all requests for approval of any amendment or modification to the subdivision already approved by the City, in the same manner as provided for in Subsection 3.3 hereof. The City further agrees that it will approve all subdivision requests reasonably required in connection with the Land Donation and general development of the Property, subject only to the Property, as subdivided, complying with applicable zoning and health and safety ordinances.

6. CERTIFICATES OF OCCUPANCY AND COMPLIANCE

6.1. Certificates of Occupancy. The City agrees that promptly upon substantial completion of each building of the Phase IV and Revised Future Phase project and at such time as a building is in full compliance with applicable City code and ordinance, the City will provide Intel (or the owner of such building) with a Certificate of Occupancy for such building. If the City refuses or fails to provide a Certificate of Occupancy for any portion of the Project when requested, the City shall, within six (6) days after written request from Intel, provide Intel a written statement indicating in adequate detail how they failed to satisfy the conditions for issuance of the Certificate of Occupancy and what measures or acts the City requires before the City will issue the Certificate of Occupancy. The City shall not withhold approval without good and substantial reasons.

6.2. Resolution of Disputes. In the event that Intel receives notice from the City that the City will not issue a Certificate of Occupancy, and Intel disagrees with the City's determination, the City and Intel shall cooperate in good faith to resolve the dispute between themselves within a period of six (6) business days. In the event the Parties are still unable to agree following the expiration of such six (6) business day period, then Intel may request an expedited decision by the City in the same manner provided for in Subsection 3.3.

7. DEFAULTS

7.1. Events Constituting Intel Default. Intel shall be deemed to be in default under this Agreement (herein sometimes referred to as an "Intel Performance Default") if (a) Intel breaches any material obligations required to be performed by Intel hereunder, (b) such breach continues for a period of one hundred twenty (120) days after receipt of written notice thereof from the City, and (c) Intel fails during such time period to commence the cure of such breach and, thereafter, to diligently pursue the same to completion.

7.2. Remedies of City. In the event of an Intel Performance Default, which default is not cured within any applicable cure period, the City shall have the right to seek and obtain all legal and equitable remedies otherwise available to it, whether under this Agreement or under its general police

power; provided, however, the City waives any right to seek consequential, punitive, multiple, exemplary or any other damages other than actual damages. Notwithstanding the foregoing, at any time, the City may seek special action or other similar relief (whether characterized as mandamus, injunction or otherwise), requiring Intel to undertake and to fully and timely address a public health or safety concern.

7.3. Events of Default by City. The City shall be deemed to be in default under this Agreement if the City breaches any obligations required to be performed by City hereunder, including, without limitation, (a) the failure to issue a Certificate of Occupancy where Intel has complied with its obligations for issuance of such Certificate, or the failure to provide other approvals as required herein where Intel has complied with its obligations for issuance of such approvals, (b) such failure continues for a period of one hundred twenty (120) days after receipt of written notice thereof from Intel, and (c) the City fails during such time period to commence the cure of such breach and, thereafter, to diligently pursue the same to completion.

7.4. Remedies of Intel. In the event the City is in default hereunder, Intel shall have all remedies available to it at law or in equity; provided, however, Intel waives any right to seek consequential, punitive, multiple, exemplary or any other damages other than actual damages.

8. REPRESENTATIONS

8.1. Intel Representations. Intel represents and warrants that: (a) it is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and (b) its execution, delivery and performance of this Agreement is duly authorized.

8.2. City Representations. The City represents and warrants that: (a) its execution, delivery and performance of this Agreement has been duly authorized and entered into in compliance with the Chandler City Code; (b) no further action needs to be taken in connection with such execution and delivery; and (c) subject to a court's equitable powers, this Agreement is valid and enforceable in accordance with its terms.

9. MISCELLANEOUS

9.1. Notices. Unless otherwise specifically provided herein, all notices, demands or other communication is given hereunder shall be in writing and shall be deemed to have been duly delivered (i) upon personal delivery, (ii) upon delivery by a recognized national courier service (e.g., FedEx or UPS) sent for next business day delivery, or (iii) as of the second business day after mailing by United States Postal Service, postage prepaid, by certified mail, return receipt requested, addressed as follows:

To Intel:

Public Affairs Manager
Intel Corporation
5000 W. Chandler Blvd.
Chandler, Arizona 85226

Required Copy to:

General Counsel
Intel Corporation
2200 Mission College Blvd.
Santa Clara, California 95052

To City:

City Manager
City of Chandler
P.O. Box 4008, MS 605
Chandler, Arizona 85244-4008

Required Copy to:

City Attorney
City of Chandler
P.O. Box 4008, MS 602
Chandler, Arizona 85244-4008

Notice of address may be changed by either Party by giving notice to the other Party in writing of a change of address. Such change shall be deemed to have been effectively noticed five (5) days after being mailed by the Party changing address.

9.2. Amendments. This Agreement may be amended only by a written agreement fully executed by the Parties hereto.

9.3. Governing Law; Jurisdiction. This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the internal, substantive laws of the State of Arizona (without reference to conflict of law principles). Any action brought to interpret, enforce or construe any provision of this Agreement shall be commenced and maintained solely and exclusively in the Superior Court of the State of Arizona in and for the County of Maricopa and the United States District Court for the District of Arizona. The Parties irrevocably consent to sole and exclusive jurisdiction and venue in such Courts.

9.4. Development Agreement; Runs with the Land. This Agreement is intended to be a "Development Agreement" within the meaning of A.R.S. § 9-500.05, and the activities that are the subject of this Agreement are "economic development activities" within the meaning of A.R.S. § 9-500.11. The rights, benefits and obligations of the Parties are covenants that run with the Property, and are not severable or separate from the Property.

9.5. Waiver. No waiver by either Party of a breach of any of the terms, covenants or conditions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition herein contained.

9.6. Severability; Construction. In the event that any phrase, clause, sentence, paragraph, section, article or other portion of this Agreement shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Agreement shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law, except if the remaining portions of the Agreement do not provide one or both of the Parties with the essential consideration for entering into this Agreement. For Intel, this involves the inability to obtain Class 6 tax treatment for Phase IV or Revised Future Phase. The terms and provisions of this Agreement represent the results of negotiations between the Parties, each of which has been or has had the opportunity to be represented by counsel of its own choosing, and none of which has acted under any duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and provisions of this Agreement shall be interpreted and construed in accordance with their usual and customary meanings, and the Parties each hereby waive the application of any rule of law which would otherwise be applicable in connection with the interpretation and construction of this Agreement that ambiguous or conflicting terms or provisions contained in this

Agreement shall be interpreted or construed against the Party who prepared or whose attorney prepared the executed Agreement or any earlier draft of the same.

9.7. Recitals and Exhibits. The Recitals to this Agreement are included in, and are material components of, this Agreement. All Exhibits attached hereto are incorporated herein by reference as though fully set forth herein. The Exhibits are as follow:

Exhibit "A" -- Description of Property
Exhibit "B" -- Preliminary Development Plan, Amendment #3

9.8. Entire Agreement. This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and all prior and contemporaneous agreements, representations, negotiations and understandings of the Parties hereto, oral or written, pertaining to the same subject matter are hereby superseded and merged herein. The foregoing sentence shall in no way affect the validity of prior executed development agreements or any instruments executed by the Parties in the form of the exhibits attached to this Agreement.

9.9. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute one and the same instrument.

9.10. Consents and Approvals. The City and Intel shall at all times act reasonably with respect to any and all matters which require either Party to review, consent or approve any act or matter hereunder.

9.11. Enforcement by Either Party. This Agreement shall be enforceable by any Party hereto notwithstanding any change hereafter in any applicable General Plan, specific plan, zoning ordinance, subdivision ordinance or building ordinance adopted by the City which substantially changes, alters or amends the applicability of said plans or ordinances to the development of Phase IV or Revised Future Phase or the Property.

9.12. Cumulative Remedies. In addition to any other rights or remedies, either Party may institute legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation, including suits for declamatory relief, specific performance, relief in the nature of mandamus and actions for damages. All of the remedies described above shall be cumulative and not exclusive of one another, and the exercise of any one or more of the remedies shall not constitute a waiver or election with respect to any other available remedy. The provisions of this Subsection 9.12 are not intended to modify Section 7 or any other provisions of this Agreement and are not intended to provide additional remedies not otherwise permitted by law.

9.13. Attorney's Fees. In any arbitration, quasijudicial or administrative proceedings or any other action in any court of competent jurisdiction, brought by either Party to enforce any covenant or any of such Party's rights or remedies under this Agreement, including any action for declaratory or equitable relief, the prevailing Party shall be entitled to reasonable attorneys' fees and all reasonable costs, expenses and disbursements in connection with such action.

9.14. No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties. No person other than the Parties shall have any right of action based upon any provision of this Agreement.

9.15. A.R.S. Section 38-511. Pursuant to A.R.S. § 38-511, the City may, within three (3) years after execution of the Development Agreement, cancel the Agreement, without penalty or further

obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the City is, at any time while the contract is in effect, an employee of Intel in any capacity or a consultant to Intel with respect to the subject matter of the Contract.

9.16 Prohibition of Doing Business with Sudan and Iran. Pursuant to A.R.S. §§ 35-391.06 and 35-393.06, Intel hereby certifies to the City that Intel does not have "scrutinized" business operations, as defined in A.R.S. §§ 35-391 and 35-393, in either Sudan or Iran. Intel acknowledges that, in the event either of the certifications to the City by Intel contained in this paragraph is determined by the City to be false, the City may terminate this Agreement and exercise other remedies as provided by law, in accordance with A.R.S. §§ 35-391.06 and 35-393.06.

9.17 Nonliability of City Officials, Etc., and of Employees, Members and Partners, Etc. of Intel. No City Council member, official, representative, agent, attorney or employee of the City shall be personally liable to Intel, or to any successor in interest to Intel, in the event of any breach by the City or for any amount which may become due to Intel or any successor in interest to Intel, or with respect to any obligation of the City under the terms of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, except in the case of an intentional misrepresentation, the liability of Intel under this Agreement shall be limited solely to the assets of Intel and shall not extend to or be enforceable against: (i) the individual assets of any of the individuals or entities who are shareholders, members, managers, constituent partners, officers or directors of Intel; (ii) the shareholders, members or managers or constituent partners of Intel; or (iii) officers of Intel.

9.18 Proposition 207 Waiver. Intel hereby waives and releases the City from any and all claims under A.R.S. § 12-1134, et seq., including any right to compensation for reduction to the fair market value of the Property, as a result of the City's approval of this Agreement, the PDP, and all related zoning, use, building and development matters arising from, related or appurtenant to or reasonably inferable from this Agreement. The terms of this Waiver shall run with the land and shall be binding upon all subsequent landowners and shall survive the expiration or earlier termination of this Agreement.

[Signatures are on the following page]

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf by its Mayor and its seal to be hereunto duly affixed and attested by its City Clerk, and Intel has signed and sealed the same, on or as of the day and year first above written.

CITY OF CHANDLER, ARIZONA an Arizona municipal corporation

ATTEST:

_____
CITY CLERK

By:_____
Jay Tibshraeny, Mayor

APPROVED AS TO FORM:

_____
CHANDLER CITY ATTORNEY

INTEL CORPORATION, a Delaware Corporation

By:_____
Its:_____

STATE OF ARIZONA)
) ss
County of Maricopa)

The foregoing Development Agreement was acknowledged before me this ____ day of February, 2012, by Jay Tibshraeny, Mayor of the City of Chandler, Arizona, an Arizona municipal corporation, on behalf of the corporation.

_____
Notary Public

My Commission Expires:

STATE OF _____)
) ss
County of _____)

The foregoing Development Agreement was acknowledged before me this ____ day of February, 2012, by _____, the _____ of INTEL CORPORATION, a Delaware corporation, on behalf of said Corporation.

_____
Notary Public

My Commission Expires:

EXHIBIT "A"

PARCEL N0. 1:

Lots 1, 2 and 4, of INTEL, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 577 of Maps, Page 46.

PARCEL NO. 2:

Lot 1, of A MINOR LAND DIVISION MAP, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 926 of Maps, Page 21.

#38
February 9, 2012

Chandler • Arizona
Where Values Make The Difference

Chandler
All-America City
2010

DATE: February 2, 2012

TO: Mayor and Council

FROM: Mary Wade, City Attorney

SUBJECT: Intel Agreement

Documents will be available prior to the Thursday, February 9, 2012, City Council Meeting.