

Add info # 8

MAR 14 2013

EXHIBIT "A"

PARCEL NO. 1:

The West half of Lot 4 of Section 31, Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT BEGINNING at the Southwest corner of said Section 31;

thence North (assumed bearing) along the West line of Lot 4, of Section 31 a distance of 345.63 feet (345.68 feet of record) to a point from which the Northwest corner of Lot 4 bears North a distance of 970.92 feet (971.05 feet of record);

thence South 89 degrees 36 minutes 12 seconds East a distance of 323.35 feet (323.39 feet of record);

thence South 00 degrees 00 minutes 51 seconds West a distance of 345.81 feet (South 00 degrees 00 minutes 47 seconds West a distance of 345.86 feet of record) to a point on the South line of Lot 4 of Section 31 from which the Southeast corner of Lot 4 bears South 89 degrees 34 minutes 17 seconds East a distance of 903.83 feet (South 89 degrees 34 minutes 15 seconds East a distance of 903.93 feet of record) therefrom;

thence North 89 degrees 34 minutes 17 seconds West, a distance of 323.27 feet (North 89 degrees 34 minutes 15 seconds West a distance of 323.30 feet of record) along the South line of Lot 4 of Section 31 to the POINT OF BEGINNING.

EXCEPT the West 55 feet; and

EXCEPT the South 50 feet; and

EXCEPT COMMENCING for a tie at the Southwest corner of said Section 31, a 1911 G.L.O. Brass Cap;

thence North 0 degrees 23 minutes 04 seconds West along the West line of Section 31 a distance of 624.45 feet;

thence North 89 degrees 36 minutes 56 seconds East a distance of 55.00 feet to the TRUE POINT OF BEGINNING;

thence North 89 degrees 36 minutes 56 seconds East a distance of 5.00 feet;

thence South 0 degrees 23 minutes 04 seconds East a distance of 59.18 feet;

thence South 5 degrees 12 minutes 49 seconds East a distance of 81.17 feet;

thence South 12 degrees 55 minutes 57 seconds East a distance of 142.80 feet;

thence North 89 degrees 59 minutes 38 seconds West a distance of 42.86 feet;

thence North 0 degrees 23 minutes 04 seconds West a distance of 279.16 feet to the POINT OF BEGINNING; and

EXCEPT that portion of said premises conveyed to the State of Arizona by instrument recorded in 92-236425, of Official Records, which lies Southerly and Westerly of the line described below under "Line Description".

LINE DESCRIPTION:

COMMENCING at the Southwest corner of said Section 31;

thence along the West line of said Section 31, North 0 degrees 22 minutes 48 seconds West 1316.59 feet to the Northwest corner of said Lot 4;

thence along the North line of said Lot 4, North 89 degrees 54 minutes 36 seconds East 81.71 feet to the POINT OF BEGINNING;

thence continuing North 89 degrees 54 minutes 36 seconds East 337.89 feet;

thence South 0 degrees 22 minutes 48 seconds East 422.30 feet;

thence South 38 degrees 55 minutes 51 seconds East 125.73 feet;

thence South 66 degrees 14 minutes 55 seconds East 780.99 feet;

thence South 0 degrees 19 minutes 26 seconds East 450.54 feet to the point of ending on the existing North right of way line of Pecos Road.

PARCEL NO. 2:

That portion of the East half of Lot 4 of Section 31, Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

BEGINNING at the Southwest corner of Section 31;

thence South 89 degrees 34 minutes 15 seconds East, along the Southerly line of said Section 31, a distance of 613.61 feet to the Southeast corner of the West half of Lot 4, said point being the TRUE POINT OF BEGINNING;

thence North 00 degrees 01 minutes 38 seconds East along the Westerly line of the East half of the said Lot 4, a distance of 1318.16 feet to the Northwest corner of the East half of the said Lot 4;

thence South 89 degrees 42 minutes 15 seconds East, along the North line of the said Lot 4, a distance of 38.78 feet;

thence South 00 degrees 34 minutes 33 seconds East 1318.42 feet to a point on the Southerly line of the said Lot 4;

thence North 89 degrees 34 minutes 15 seconds West along the Southerly line of the said Lot 4, a distance of 52.66 feet to the TRUE POINT OF BEGINNING; and

EXCEPT that portion of said premises conveyed to the State of Arizona by instrument recorded in 92-236425, of Official Records which lies Southerly and Westerly of the line described below under "Line Description".

LINE DESCRIPTION:

COMMENCING at the Southwest corner of said Section 31;

thence along the West line of said Section 31, North 0 degrees 22 minutes 48 seconds West 1316.59 feet to the Northwest corner of said Lot 4;

thence along the North line of said Lot 4, North 89 degrees 54 minutes 36 seconds East 81.71 feet to the POINT OF BEGINNING;

thence continuing North 89 degrees 54 minutes 36 seconds East 337.89 feet;

thence South 0 degrees 22 minutes 48 seconds East 422.30 feet;

thence South 38 degrees 55 minutes 51 seconds East 125.73 feet;

thence South 66 degrees 14 minutes 55 seconds East 780.99 feet;

thence South 0 degrees 19 minutes 26 seconds East 450.54 feet to the point of ending on the existing North right of way line of Pecos Road.

PARCEL NO. 3:

The East half of Lot 4 of Section 31, Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT BEGINNING at the Southwest corner of said Section 31;

thence South 89 degrees 34 minutes 15 seconds East, along the Southerly line of the said Section 31, a distance of 613.61 feet to the Southeast corner of the West half of Lot 4, said point being the TRUE POINT OF BEGINNING;

thence North 00 degrees 01 minutes 38 seconds East along the Westerly line of the East half of the said Lot 4, a distance of 1318.16 feet to the Northwest corner of said East half of the said Lot 4;

thence South 89 degrees 42 minutes 15 seconds East, along the North line of the said Lot 4, a distance of 38.78 feet;

thence South 00 degrees 34 minutes 33 seconds East 1318.42 feet to a point on the Southerly line of the said Lot 4;

thence North 89 degrees 34 minutes 15 seconds West along the Southerly line of the said Lot 4, a distance of 52.66 feet to the TRUE POINT OF BEGINNING; and

EXCEPT that portion of said premises conveyed to the State of Arizona by instrument recorded in 92-236425, of Official Records which lies Southerly and Westerly of the line described below under "Line Description".

LINE DESCRIPTION:

COMMENCING at the Southwest corner of said Section 31;

thence along the West line of said Section 31, North 0 degrees 22 minutes 48 seconds West 1316.59 feet to the Northwest corner of said Lot 4;

thence along the North line of said Lot 4, North 89 degrees 54 minutes 36 seconds East 81.71 feet to the POINT OF BEGINNING;

thence continuing North 89 degrees 54 minutes 36 seconds East 337.89 feet;

thence South 0 degrees 22 minutes 48 seconds East 422.30 feet;

thence South 38 degrees 55 minutes 51 seconds East 125.73 feet;

thence South 66 degrees 14 minutes 55 seconds East 780.99 feet;

thence South 0 degrees 19 minutes 26 seconds East 450.54 feet to the point of ending on the existing North right of way line of Pecos Road.

PARCEL NO. 4:

The Southeast quarter of the Southwest quarter of Section 31, Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT any portion conveyed to THE CITY OF CHANDLER by Deed recorded in 91-340014, of Official Records, described as follows:

That portion of the South half of the Southwest quarter and the South half of the Southeast quarter of Section 31, Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the South quarter corner of said Section 31;

thence North 00 degrees 00 minutes 00 seconds West along the North-South midsection line of said Section 31, a distance of 695.42 feet to the TRUE POINT OF BEGINNING;

thence North 90 degrees 00 minutes 00 seconds West a distance of 40.00 feet;

thence North 00 degrees 00 minutes 00 seconds West, parallel with and 40 feet West of the North-South mid-section line of said Section 31, a distance of 627.50 feet;

thence South 89 degrees 45 minutes 25 seconds East along the North line of said South half of said Southwest quarter, a distance of 40.00 feet to the Northeast corner of said South half of said Southwest quarter;

thence South 89 degrees 45 minutes 29 seconds East along the North line of said South half of said Southeast quarter, a distance of 40.00 feet;

thence South 00 degrees 00 minutes 00 seconds East, parallel with and 40.00 feet East of said North-South mid-section line of said Section 31, a distance of 627.16 feet;

thence South 90 degrees 00 minutes 00 seconds West, a distance of 40.00 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 5:

A parcel of land over a portion of the South half of Section 31, Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more fully described as follows:

COMMENCING at the South quarter corner of said Section 31 from which the center of Section bears North 00 degrees 02 minutes 33 seconds East, a distance of 2645.73 feet;

thence North 00 degrees 02 minutes 33 seconds East, along the North-South mid-section line of said Section 31, a distance of 33.00 feet to a point on the Northerly right-of-way of Pecos Road and the POINT OF BEGINNING of the parcel herein described;

thence North 89 degrees 33 minutes 51 seconds West, along said Northerly right-of-way of Pecos Road, a distance of 35.00 feet;

thence North 00 degrees 02 minutes 33 seconds East, leaving said Northerly right-of-way of Pecos Road, a distance of 662.18 feet to a point on the Southerly edge of an 80 foot right-of-way as recorded in 91-340010 of Official Records in the office of the County Recorder of Maricopa County, Arizona;

thence South 89 degrees 57 minutes 27 seconds East, along said Southerly edge on the 80 foot existing right-of-way, a distance of 35.00 feet to a point on said North-South mid-section line of Section 31;

thence South 89 degrees 57 minutes 27 seconds East, leaving said North-South mid-section line of Section 31 and continuing along said Southerly edge of the 80 foot existing right-of-way, a distance of 35.00 feet;

thence South 00 degrees 02 minutes 33 seconds West, leaving said Southerly edge of the 80 foot existing right-of-way, a distance of 662.65 feet to a point on the Northerly right-of-way of Pecos Road;

thence North 89 degrees 34 minutes 50 seconds West, along said Northerly right-of-way of Pecos Road, a distance of 35.00 feet to the POINT OF BEGINNING of the parcel herein described.



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MEMORANDUM Economic Development - Council Memo No. ED13-013

DATE: MARCH 4, 2013

TO: MAYOR AND CITY COUNCIL

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

FROM: CHRISTINE MACKAY, ECONOMIC DEVELOPMENT DIRECTOR *CM*

SUBJECT: GENERAL MOTORS LLC DEVELOPMENT AGREEMENT

RECOMMENDATION: Staff recommends that the Council adopt Resolution No. 4655 with General Motors LLC and authorize the Mayor to sign all necessary documents.

BACKGROUND/DISCUSSION: Resolution No. 4655 approves and empowers the Mayor to execute a Development Agreement between the City of Chandler and General Motors LLC (GM). This allows the City to support a Job Creation/Training Fund that will be paid to GM and its subsidiaries after they create and maintain new jobs within the City for a specified time.

GM and its subsidiaries intend to occupy a building to be constructed in the business park known as Chandler Freeway Crossing located at the northeast corner of Loop 101 & 202. GM will sign a long-term lease for the entire building of approximately 150,000 square feet. Initial occupancy of the facility will take place on or about February 1, 2014. GM anticipates securing temporary space and starting the hiring process immediately, while the new space is being constructed. The total employee count for this project is estimated at 1,000 new jobs to Chandler over the next several years.

The terms of the Development Agreement call for the City to establish a Job Creation/Training fund to assist GM in creating new jobs in Chandler. The City shall reimburse GM in the following manner as jobs are created:

0-750 Staffed Positions - \$1,200 per position
751-1,000 Staffed Positions - \$900 per position

In no event shall the total amount reimbursed to GM exceed \$1,125,000.

Payments to GM will be made annually based on Job Creation for a five year period. At or before the end of a year in which a payment is due, GM shall request the payment from the City

in writing. The first payment will be made upon request of GM based on the initial employment through the end of Year One. The payment for Year One positions shall be made at the end of Year Two; the payment for Year Two positions shall be made at the end of Year Three; the payment for Year Three positions shall be made at the end of Year Four; both Year Four and Year Five positions shall be paid at the end of Year Five. The terms of this Development Agreement will be considered fulfilled on the last day of the fifth year of the Effective Date of this Agreement and no further Job Creation funds will be issued for positions created after this date. The City will make payments to GM annually as GM submits reports to document the employment increase until March 13, 2018 or the total reimbursement amount has been met.

To support the funds to be given to GM and its subsidiaries, the Arizona Commerce Authority and City staff had an independent third party economic impact analysis completed on the Development Agreement to ensure that Chandler would receive greater benefit through this Agreement than it was offering to GM. The analysis was created on up to 750 new jobs, which is a conservative estimate on total job creation, although GM anticipates it will create up to 1,000 new jobs. This independent analysis shows direct fiscal impacts to Chandler of more than \$2.2 million over a five-year period. The direct and indirect revenue into the City is significantly more than is being offered through this Agreement.

Staff recommends approval of Resolution No. 4655.

FINANCIAL IMPLICATIONS: Up to \$1,125,000 if 1,000 jobs are created in Chandler.

PROPOSED MOTION: Move to adopt Resolution No. 4655 approving the Development Agreement between the City of Chandler and General Motors LLC and authorize the Mayor to sign all necessary documents related to the Development Agreement.

Attachments: Resolution No. 4655
Development Agreement

RESOLUTION NO. 4655

A RESOLUTION OF THE CITY OF CHANDLER, ARIZONA, APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF CHANDLER AND GENERAL MOTORS LLC, A DELAWARE LIMITED LIABILITY COMPANY, FOR REIMBURSEMENT OF HIRING, TRAINING & EMPLOYEE RELOCATION EXPENSES IN CONNECTION WITH ESTABLISHMENT OF AN IT SOFTWARE CENTER FACILITY IN CHANDLER.

WHEREAS, the City of Chandler (the "City"), in the current economic climate, wishes to encourage and promote the employment of its residents; and

WHEREAS, the encouragement and promotion of employment by the City will encourage and promote related economic activity throughout the City and will generate tax and other income for the City; and

WHEREAS, General Motors LLC, a Delaware limited liability company ("GM"), has selected the City as its choice for development of an IT software center facility to support advanced vehicle development; and

WHEREAS, GM expects to create as many as 1,000 new employment positions for its facility; and

WHEREAS, the City, finding that the development of GM's facility in the City and its anticipated creation of new employment positions in the City will enhance the economic vitality of the City by increasing revenues and enhancing employment opportunities, has offered to review tenant improvement plans for the GM facility on an expedited basis and to provide for a job creation fund to make certain reimbursements to GM in order to encourage new employment within the City; and

WHEREAS, the proposed reimbursement to GM is tied to certain benchmarks with respect to the number of new employment positions and the outside dates for creating and filling such positions;

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL of the City of Chandler, Maricopa County, Arizona, as follows:

Section 1. Council hereby approves the City of Chandler entering into a Development Agreement with GM in the form of the attached Exhibit "A."

Section 2. The Mayor of the City of Chandler is authorized to execute the Development Agreement for and on behalf of the City of Chandler in the form approved in Section 1 hereof; and the Mayor further is authorized to execute on behalf of the City of Chandler all related documents necessary to consummate the transaction, subject to approval of the form of the documents by the Chandler City Attorney.

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this 14th day of March, 2013.

ATTEST:

CITY CLERK

MAYOR

APPROVED AS TO FORM:

Chandler City Attorney *GAB*

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 4655 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the 14th day of March, 2013, and that a quorum was present thereat.

CITY CLERK

WHEN RECORDED RETURN TO:
Chandler City Attorney
c/o Glenn A. Brockman
P.O. Box 4008, MS 602
Chandler, Arizona 85244-4008

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") is entered into to be effective as of the 14th day of March, 2013 (the "Effective Date"), by and between the CITY OF CHANDLER, an Arizona municipal corporation ("City"), and GENERAL MOTORS LLC, a Delaware limited liability company ("GM"). City and GM are each a "Party" to this Agreement and may be referred to herein collectively as "Parties."

1. **Recitals.** As background to this Agreement, the Parties recite, acknowledge and confirm the following, each of which shall be a material term and provision of this Agreement:

1.1 GM intends to lease, for a minimum of five (5) years, not less than 150,000 rentable square feet of office space in a building to be constructed on real property situated within Chandler, Arizona, within City's Price Road Employment Corridor – located within Chandler Freeways Crossing at the northeast corner of Price Road and the Santan Freeway (the "Property"). The precise location of the Property is described herein as attached Exhibit "A".

1.2 The purpose of the lease is for GM's project to establish an IT software center to serve as a center for expertise to develop new information technology to support advanced vehicle development (the "Project"). Although under no obligation to locate to Chandler, GM will have entered into the lease partially in reliance upon representations from City that City will provide the economic incentives described in this Agreement.

1.3 Upon completion of the shell of the office building on the Property (the "Building"), GM will undertake to complete, or have completed on its behalf, all tenant improvements necessary to occupy the 150,000 rentable square feet of office space in the Building (the "GM Premises").

1.4 GM anticipates that it (including its affiliates and subsidiaries or divisions, each being referred to generically in this Agreement as an "Employer") will create approximately 1,000 new, full-time, permanent positions for employment (each, a "Position," and collectively, "Positions") at the GM Premises. GM does not currently have any offices located within the City of Chandler, but its affiliate, General Motors Financial Company, Inc., does have an office within the municipality. As used in this Agreement, Position does not refer to the transfer or replacement of an existing employment position at the office of General Motors Financial Company, Inc. located in the City of Chandler.

1.5 It is important to City, in the current economic environment, that it encourage and promote employment of its residents, which in turn stimulates related economic activity throughout City and generates tax and other income for City.

1.6 GM wishes to undertake all actions required by City in order to obtain tenant improvement permits for the GM Premises upon the terms and conditions set forth in this Agreement and as expeditiously as possible.

1.7 City has found and determined that both (i) the development of the Property and the Building at which the GM Premises will be situated and (ii) GM's anticipated employment of approximately 1,000 employees at the GM Premises will enhance the economic vitality of City by increasing revenues and enhancing employment opportunities, so that City has offered to provide for a job creation fund to encourage new employment within the City of Chandler.

1.8 City and GM are entering into this Agreement pursuant to A.R.S. §9-500.05 and §9-500.11. The Parties desire to enter into this Agreement to facilitate development consistent with City's General Plan and its zoning ordinances. The Parties hereto acknowledge that the activities related to the development of the Property are economic development activities within the meaning of the State of Arizona's laws concerning such matters, including but not necessarily limited to A.R.S. §9-500.11, and that all expenditures by City pursuant to this Agreement constitute the appropriation and expenditure of public monies for and in connection with economic development activities.

1.9 City, by Resolution No. 4655, adopted on March 14, 2013, has authorized the execution and performance of this Agreement and has otherwise taken all action it believes is required by law to enter into this Agreement and make it binding upon City.

2. **Agreements.** In consideration of the mutual promises and representations set forth herein and in the recitals hereto, City and GM agree as follows:

2.1 Upon the request of GM (or its designated Employer), City shall review tenant improvement plans for the GM Premises on an expedited basis (i.e., within two (2) weeks of submission of complete plans and payment of all fees), and subject to all applicable laws, including laws involving posting and the conduct of public meetings. Upon City's determination that GM has submitted final and complete plans for tenant improvements that comply with all applicable laws, ordinances and requirements, and that are otherwise to the reasonable satisfaction of City, City shall issue tenant improvement permits for the improvements to be built therein. Consistent therewith, City will provide a single point of contact with City to coordinate timely permitting and to hold pre-submittal meetings to reduce the number of reviews required to the absolute minimum (subject to applicable laws) in order to ensure timely completion of this and all future phases of the tenant improvements for the GM Premises.

2.2 City agrees to make certain payments or reimbursements to GM (or its Employer as designated by GM) in such amounts, and in such a manner, as set forth below:

a. GM anticipates that within the GM Premises approximately 1,000 Positions shall be created and staffed (including employees of GM and its subsidiaries and affiliates) not later than five (5) years from the Effective Date of this Agreement (the "Outside Position Creation Date").

b. City shall pay to GM the amount set forth below (the “GM Position Reimbursement Amount”) to reimburse GM for hiring, training, relocation and related expenses actually incurred by GM in staffing the Positions.

(1) The GM Position Reimbursement Amount shall be based upon the aggregate number of staffed Positions within the GM Premises at a rate of \$1,200 per Position up to 750 Positions and \$900 per Position from 751 to 1,000 Positions, but in no event shall the GM Position Reimbursement Amount exceed \$1,125,000.00.

(2) Notwithstanding the foregoing, the reimbursement amount shall be paid incrementally based upon actual Positions created and staffed (filled) each year during the five (5) year period from the Effective Date of this Agreement to the Outside Position Creation Date (defined above), with payments to be made in accordance with the following schedule:

- For Positions created and filled in Year 1, payment will be made to GM at the end of Year 2;
- For Positions created and filled in Year 2, payment will be made to GM at the end of Year 3;
- For Positions created and filled in Year 3, payment will be made to GM at the end of Year 4;
- For Positions created and filled in Year 4, payment will be made to GM at the end of Year 5; and
- For Positions created and filled in Year 5, payment will be made to GM at the end of Year 5.

(3) At or before the end of a year when a payment is due to be made to GM by City, GM shall provide written certification of the number of Positions created and filled in the year for which the reimbursement payment is being made. Within ten (10) days of City’s receipt of such certification, City shall pay the reimbursement amount due for the Positions so certified by GM.

(4) If, prior to the end of the five (5) year period identified in the above-stated schedule, GM discontinues occupancy of the GM Premises or fails to create and fill all of the 1,000 Positions, funds paid to GM or due and payable to GM for Positions actually created and filled during the five (5) year period shall be deemed to have vested with GM and, upon all such funds deemed vested having been fully paid, City shall have no further reimbursement payment obligation under this Agreement.

3. **Term.** The term of this Agreement shall begin on the Effective Date and continue through and including the Outside Position Creation Date unless earlier terminated due to complete payment of the GM Position Reimbursement Amount as provided pursuant to Section 2.2 of this Agreement.

4. **Notices.** Unless otherwise specifically provided herein, or unless written notice of a change of address has been previously given pursuant hereto, all notices, demands or other communication given hereunder shall be in writing and shall be deemed to have been duly

delivered upon (i) personal delivery, (ii) upon delivery by a recognized overnight courier (e.g., Federal Express, United Parcel Service) for next business day delivery, or (iii) as of the second business day after mailing by United States mail, postage prepaid, by certified mail addressed as follows:

To GM: General Motors LLC
c/o Candace Butler
Manager, Economic Development
30009 Van Dyke Avenue
Mail Code 480-206-1W5
Warren, MI 48090-9026
Phone: (313) 665-4534
Fax: (586) 492-3244
e-mail: candace.j.butler@gm.com

To City: City of Chandler
c/o Christine Mackay
Director, Economic Development
Mail Stop 416
P.O. Box 4008
Chandler, AZ 85244-4008
Phone: (480) 782-3035
Fax: (480) 782-3040
e-mail: christine.mackay@chandleraz.gov

Copy to: Chandler City Attorney
c/o Glenn A. Brockman
Mail Stop 602
P.O. Box 4008
Chandler, AZ 85244-4008
Phone: (480) 782-4643
Fax: (480) 782-4652
e-mail: glenn.brockman@chandleraz.gov

5. **Unintended Delay.** If and to the extent that GM's performance of this Agreement is impaired or delayed by war, fire, casualty, acts of God or other causes beyond the control of GM (each, an "Unintended Delay"), then the Outside Position Creation Date shall be equitably extended as necessary to permit GM the opportunity to restore its employment level in the GM Premises. Furthermore, in the event that an Unintended Delay results in a termination of the GM's lease of the GM Premises, and as a result, the number of Positions contemplated hereby cannot be retained by GM (including its subsidiaries and affiliates) at the GM Premises as of the Outside Position Creation Date, then the repayment obligation under Section 2.2 above shall not arise if GM (and/or its subsidiaries and affiliates) within twenty-four (24) months after the Outside Position Creation Date establishes a replacement office or offices within the City of Chandler with a minimum of 750 Positions and the replacement office(s) shall be substituted for the GM Premises for purposes of applying the terms and conditions of this Agreement. In no event will Unintended Delay include any delay resulting from general economic or market

conditions, or from the unavailability for any reason of particular contractors, subcontractors, vendors, investors or lenders for the Project, it being agreed that GM will bear all risks of delay which are not Unintended Delay. In the event of the occurrence of any such Unintended Delay, the Party seeking the benefit of the provisions of this Section 5 shall, within thirty (30) days after such Party knows of any such Unintended Delay, first notify the other Party of the specific delay in writing and claim the right to an extension for the period of the Unintended Delay.

6. **Default.** In the event any Party fails to comply with any terms, conditions and obligations under this Agreement, which are applicable to such Party within thirty (30) days (or such longer period as reasonably required provided that the Party in default promptly commences and diligently pursues such cure to completion) after receipt of written notice from another Party (an "Event of Default"), such Party shall be deemed to be in default under this Agreement. After the occurrence of such Event of Default, the Parties hereby agree that the Parties shall attempt to settle the dispute by nonbinding mediation before commencement of litigation. The mediation shall be held under the Mediation Rules of the American Arbitration Association. The matter in dispute shall be submitted to a mediator selected by the Parties. In the event the Parties cannot agree upon the selection of a mediator within ten (10) days, then, within five (5) days thereafter, the Parties shall request the presiding judge of the Superior Court of Maricopa County, Arizona to appoint the mediator. The mediator selected shall have at least five (5) years experience in mediating or arbitrating disputes relating to commercial property and development agreements. The cost of any such mediation shall be divided equally between the Parties involved in the mediation. The mediator shall not have the right to award punitive damages. The results of the mediation shall be nonbinding and any Party shall have the right to initiate litigation to enforce the terms and conditions of this Agreement upon the latter of the conclusion of the mediation or ninety (90) days after the Event of Default, subject to any extensions agreed to by the Parties in writing.

7. **Remedies.**

7.1 In the event that City is in default under this Agreement and fails to cure any such default within the time period described in Section 6 above, and the Parties do not resolve City's default pursuant to the nonbinding mediation described in Section 6 above, then, in that event and as GM's sole and exclusive remedy, GM shall have the right to seek specific performance of City's obligations contained herein or to pursue those remedies detailed in this Agreement.

7.2 In the event that GM is in default under this Agreement and fails to cure any such default within the time period described in Section 6 above, and the Parties do not resolve such default pursuant to the nonbinding mediation described in Section 6 above, then, in that event and as City's sole and exclusive remedies, City shall have the right to rescind this Agreement and cease making any further reimbursement payments. GM shall be liable and responsible only for any breach of this Agreement that it may commit; GM shall not be liable or responsible for any breach of this Agreement by any other Party.

8. **Assignment.** GM shall not assign any obligation in this Agreement other than to a subsidiary or affiliate of GM, without City's express written consent, which shall not be unreasonably withheld, conditioned or delayed. In order to be effective, any such assignment must contain an express written agreement and assumption by the assignee agreeing to be liable

for the assigning Party's obligations contained herein. Any such assignment shall not relieve the assigning Party of its obligations in this Agreement.

9. **Additional Matters.**

9.1 This Agreement shall be governed by and construed under the laws of the State of Arizona. This Agreement is subject pursuant to the provisions of A.R.S. Sec. 38-511. This Agreement shall be deemed made and entered into in Maricopa County, Arizona.

9.2 This Agreement is entered into and effective as of the Effective Date.

9.3 The recitals set forth in Section 1 of this Agreement are incorporated in this Agreement by reference as if fully set forth herein.

9.4 Nothing in this Agreement shall preclude City from the reasonable exercise of its normal zoning, platting and review processes, except as provided otherwise herein (including specifically Section 2.1 of this Agreement).

9.5 Nothing in this Agreement exempts GM from payment of any construction sales tax or any other municipal fees or charges.

9.6 City and GM each believes that the execution, delivery and performance of this Agreement are in compliance with all applicable laws. However, in the unlikely event that any provision of this Agreement is declared void or unenforceable (or is construed as requiring City to do any act in violation of any applicable constitutional provision, law, regulation, City code or City charter), such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect; provided that this Agreement shall retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed Agreement (and any related agreements effective as of the same date) provide essentially the same rights and benefits (economic and otherwise) to the Parties as if such severance and reformation were not required. The Parties further agree, in such circumstances, to do all acts and to execute all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Agreement, as reformed.

9.7 The failure of any Party to exercise any right, power or remedy given to it under this Agreement, or to insist upon strict compliance with it, shall not constitute a waiver of the terms and conditions of this Agreement with respect to any other or subsequent breach, nor a waiver by either Party of its rights at any time to require exact and strict compliance with all of the terms of this Agreement. The rights or remedies under this Agreement are exclusive of any other rights or remedies which may be granted by law.

9.8 This Agreement constitutes the entire Agreement between City and GM with respect to its subject matter, and all agreements, oral or written, entered into prior to this Agreement are revoked and superseded by this Agreement. This Agreement may not be changed, modified or rescinded, except in writing, signed by all Parties and any attempt at oral modification of this Agreement shall be void and of no effect. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument.

9.9 In the event of any dispute between the Parties in connection with this Agreement, the Party prevailing in such action or proceeding shall be entitled to recover from the other Party all of its costs and fees, including reasonable attorneys' fees; provided, however, that no such amount shall be awarded, owed or payable until (i) the court in question has made a finding that one or the other Party is the "prevailing party" in such proceeding, and (ii) a final, non-appealable order of judgment is entered by a court of competent jurisdiction, or where applicable, the mandate of an appellate court of competent jurisdiction shall issue.

9.10 Any action brought to interpret, enforce or construe any provision of this Agreement shall be commenced and maintained in the Superior Court of the State of Arizona in and for the County of Maricopa (or, as may be appropriate, in the Justice Courts of Maricopa County, Arizona, or in the United States District Court for the District of Arizona, if, but only if, the Superior Court lacks or declines jurisdiction over such action). The Parties irrevocably consent to jurisdiction and venue in such courts for such purposes and agree not to seek transfer or removal of any action commenced in accordance with the terms of this Section 9.10.

9.11 No member, agent, representative, official, officer, or employee of any Party shall be personally liable to any Party, or any successor-in-interest, in the event of any default or breach by a Party or for any amount which may become due to another Party or any successor in interest or on any obligation under the terms of this Agreement.

9.12 It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between GM and City. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, organization or corporation not a Party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

9.13 Each of the Parties hereto represents and warrants to the other that the individual executing this Agreement on behalf of the respective Parties are authorized and empowered to bind the Party on whose behalf such individual is signing and that this Agreement shall be binding upon such Parties. No later than ten (10) days after the Effective Date, City will record this Agreement in the Records of Maricopa County Arizona.

IN WITNESS WHEREOF, the Parties have executed this Agreement through their representatives duly authorized to execute this document and bind their respective entities to the terms and obligations herein contained on the date and year first written above.

CITY OF CHANDLER, an Arizona municipal corporation

By: _____
Jay Tibshraeny, Mayor

ATTEST:

By: _____

City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney *GAB*

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____, 2013, by Jay Tibshraeny, the Mayor of the City of Chandler, an Arizona municipal corporation.

Notary Public

My Commission Expires:

GENERAL MOTORS LLC, a Delaware limited liability company

By _____

GENERAL MOTORS LLC, a Delaware limited liability company

By: *Debra Homic Hoge*
Name: Debra Homic Hoge
Title: Global Director, Real Estate

STATE OF Michigan)
County of Wayne)

Execution Recommended
Real Estate
By: *[Signature]*

On March 8 2013, before me, Teresa L Kole a Notary Public, personally appeared DEBRA HOMIC HOGE who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Michigan that the foregoing is true and correct.

WITNESS my hand and official seal.

Teresa L Kole
Notary Public

My Commission Expires:
TERESA L. KOLE
NOTARY PUBLIC, STATE OF MI
COUNTY OF MACOMB
MY COMMISSION EXPIRES May 5, 2018
ACTING IN COUNTY OF Wayne

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY