



Chandler • Arizona
Where Values Make The Difference

#7
JUN 23 2016

MEMORANDUM Economic Development - Council Memo No. ED16-032

DATE: JUNE 23, 2016

TO: MAYOR AND COUNCIL

THRU: MARSHA REED, CITY MANAGER *MR*
MICAH MIRANDA, ECONOMIC DEVELOPMENT DIRECTOR *MM*

FROM: JAMES SMITH, ECONOMIC DEVELOPMENT PROGRAM MGR *JS*

SUBJECT: RESOLUTION NO. 4965 AUTHORIZING AN INFILL INCENTIVE PLAN AGREEMENT FOR A PORTION OF SWC OF ALMA SCHOOL AND ELLIOT ROADS – (FORMER MERVYN’S)

RECOMMENDATION: Staff recommends City Council pass and adopt Resolution No. 4965 authorizing an Infill Incentive Plan Agreement with Furniture & Mattress Discounters, LLC, in an amount not to exceed \$11,000 for a portion of the SWC of Alma School and Elliott roads (Former Mervyn’s); and authorizing the Mayor to sign all necessary documents.

BACKGROUND: Resolution No. 4965 authorizes the Mayor to execute an Infill Incentive Plan Agreement between the City of Chandler and Furniture & Mattress Discounters, LLC, to provide financial assistance for renovations of a former Mervyn’s building of approximately 76,000 square feet. The subject site is located at the southwest corner of Alma School and Elliot roads. This funding will assist the building owner and future tenant with renovating this building, in particular painting the building to match the remaining portion of the center.

DISCUSSION: The Infill Incentive Plan was implemented in 2009 to encourage private redevelopment or reinvestment in older existing retail centers within designated areas of the City that exhibit high vacancy rates and/or are facilities that were constructed at least 15 years ago.

The subject commercial site has been vacant for a number of years due to the bankruptcy of Mervyn’s, and subsequent owners have not been able to find tenants for the building. Recently, the owner of Furniture & Mattress Discounters, LLC, purchased this building and has plans to expand his business significantly by utilizing this facility. As part of those plans, he intends to make approximately \$98,000 in improvements to the building, including façade, storefront, and signage improvements.

The City participation only involves assisting with the painting of the building to match the remainder of the center. Economic Development staff believes this level of participation is consistent with the intent of the Infill Incentive Plan. The plan makes allowances for securing a new tenant and requires that façade improvements be consistent with the remainder of the center.

The basic terms of this Agreement provide funding to assist Furniture & Mattress Discounters, LLC, with renovations to enable expansion into this building and ensure consistency with the paint scheme of the rest of the shopping center.

The anticipated benefits to the City of Chandler by participating in this project include:

- Bringing additional retail activity to this intersection that currently has four corners of retail, through the expansion of the subject business,
- Removing an available “big box” retail building from the market, helping to lower vacancy rates, and
- Providing an improvement and consistency to the center’s appearance, which may help spur further reinvestment in surrounding commercial properties.

FINANCIAL IMPLICATIONS: The City of Chandler will contribute up to \$11,000 to assist with the cost renovations to the building, particularly with the painting of the building. Capital funds for the program are available in Cost Center 1550 for the proposed amount.

PROPOSED MOTION: Move City Council pass and adopt Resolution No. 4965 authorizing an Infill Incentive Plan Agreement with Furniture & Mattress Discounters, LLC, in an amount not to exceed \$11,000 for a portion of the SWC of Alma School and Elliot roads (Former Mervyn’s); and authorizing the Mayor to sign all necessary documents.

Attachments: Legal Description of the Property
Location Map
Resolution No. 4965
Infill Incentive Plan Agreement
Proposed Building Image with Paint Colors

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PARCEL NO. 1:

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 17, 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 NORTHEAST CORNER OF SAID SECTION 17;

THENCE SOUTH 88 DEGREES 14 MINUTES 42 SECONDS WEST, (AN ASSUMED BEARING) ALONG THE NORTH LINE OF SAID SECTION 17 FOR A DISTANCE OF 850.00 FEET;

THENCE SOUTH 01 DEGREES 50 MINUTES 53 SECONDS EAST, FOR A DISTANCE OF 33.00 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 88 DEGREES 14 MINUTES 42 SECONDS EAST, PARALLEL WITH THE NORTH LINE OF SAID SECTION 17, FOR A DISTANCE OF 581.00 FEET;

THENCE SOUTH 01 DEGREES 50 MINUTES 53 SECONDS EAST, FOR A DISTANCE OF 17.00 FEET;

THENCE NORTH 88 DEGREES 14 MINUTES 42 SECONDS EAST, FOR A DISTANCE OF 34.00 FEET;

THENCE SOUTH 01 DEGREES 45 MINUTES 18 SECONDS EAST, FOR A DISTANCE OF 220.00 FEET;

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THENCE SOUTH 01 DEGREES 50 MINUTES 53 SECONDS EAST FOR A DISTANCE OF 121.00 FEET;

THENCE SOUTH 88 DEGREES 14 MINUTES 42 SECONDS WEST, FOR A DISTANCE OF 193.00 FEET;

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THENCE NORTH 46 DEGREES 50 MINUTES 53 SECONDS WEST FOR A DISTANCE OF 67.88 FEET;

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THENCE SOUTH 88 DEGREES 09 MINUTES 07 SECONDS WEST FOR A DISTANCE OF 100.00 FEET;

THENCE NORTH 01 DEGREES 50 MINUTES 53 SECONDS WEST FOR A DISTANCE OF 465.00 FEET TO THE POINT OF BEGINNING.

EXCEPT ANY PORTION THEREOF LYING WITHIN THE NORTH 50.00 FEET AND THE EAST 70.00 FEET OF THE NORTHEAST QUARTER OF SAID SECTION 17; AND

EXCEPT COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION;

THENCE SOUTH 89 DEGREES 09 MINUTES 13 SECONDS WEST ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER 850.00 FEET TO THE NORTHEAST CORNER OF THE PLAT OF DOBSON ESTATES TWO, BOOK 209 OF MAPS, PAGE 25, MARICOPA COUNTY RECORDS;

THENCE SOUTH 00 DEGREES 56 MINUTES 38 SECONDS EAST ALONG THE EAST LINE OF SAID PLAT A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 09 MINUTES 13 SECONDS EAST ALONG THE SOUTH LINE OF THE NORTH 50.00 FEET OF SAID NORTHEAST QUARTER 615.00 FEET;

THENCE SOUTH 00 DEGREES 50 MINUTES 47 SECONDS EAST 17.00 FEET TO THE SOUTH LINE OF THE NORTH 67.00 FEET OF SAID NORTHEAST QUARTER;

THENCE SOUTH 89 DEGREES 09 MINUTES 13 SECONDS WEST ALONG SAID SOUTH LINE 213.53 FEET;

THENCE SOUTH 00 DEGREES 50 MINUTES 47 SECONDS EAST 8.00 FEET TO THE SOUTH LINE OF THE NORTH 75.00 FEET OF SAID NORTHEAST QUARTER;

THENCE SOUTH 89 DEGREES 09 MINUTES 13 SECONDS WEST ALONG SAID SOUTH LINE 146.25 FEET;

THENCE NORTH 85 DEGREES 08 MINUTES 09 SECONDS WEST 100.50 FEET TO THE SOUTH LINE OF THE NORTH 65.00 FEET OF SAID NORTHEAST QUARTER;

THENCE SOUTH 89 DEGREES 09 MINUTES 13 SECONDS WEST ALONG SAID SOUTH LINE 155.20 FEET TO THE EAST LINE OF SAID PLAT;

THENCE NORTH 00 DEGREES 56 MINUTES 38 SECONDS WEST ALONG SAID EAST LINE 15.00 FEET TO THE POINT OF BEGINNING;

PARCEL NO. 2:

A NON-EXCLUSIVE EASEMENT FOR PARKING OF MOTOR VEHICLES, INGRESS AND EGRESS, UTILITIES AND PEDESTRIAN TRAFFIC AS CREATED IN INSTRUMENT CAPTIONED GRANT OF RECIPROCAL EASEMENTS AND DECLARATION OF COVENANTS RECORDED AS 85-048068 OF OFFICIAL RECORDS; FIRST AMENDMENT RECORDED AS 85-334358 OF OFFICIAL RECORDS AND SECOND AMENDMENT RECORDED AS 98-816820 OF OFFICIAL RECORDS AND ASSIGNMENT AND ASSUMPTION OF OPERATING AGREEMENTS RECORDED AS 2004-1106171 OF OFFICIAL RECORDS AND ASSIGNMENT AND ASSUMPTION OF RECIPROCAL EASEMENT AGREEMENT RECORDED AS 2005-1410286 OF OFFICIAL RECORDS, OF MARICOPA COUNTY, ARIZONA;

EXCEPT ANY PART THEREOF AS GRANTED TO THE CITY OF CHANDLER, AN ARIZONA MUNICIPAL CORPORATION BY FINAL ORDER OF CONDEMNATION AS RECORDED AS 2001-0105870 OF OFFICIAL RECORDS AND RECORDED AS 2001-838633 OF OFFICIAL RECORDS.

PARCEL NO. 3:

A NON-EXCLUSIVE EASEMENT FOR PARKING OF MOTOR VEHICLES, INGRESS AND EGRESS, UTILITIES AND PEDESTRIAN TRAFFIC AS CREATED IN INSTRUMENT CAPTIONED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED AS DOCKET 15578, PAGE 444 AND AMENDMENTS THERETO RECORDED AS 84-161394 OF OFFICIAL RECORDS; RECORDED AS 88-007757 OF OFFICIAL RECORDS; RECORDED AS 88-007759 OF OFFICIAL RECORDS; RECORDED AS 88-007760 OF OFFICIAL RECORDS AND RECORDED AS 88-007761 OF OFFICIAL RECORDS, OF MARICOPA COUNTY, ARIZONA;

EXCEPT ANY PART THEREOF AS GRANTED TO THE CITY OF CHANDLER, AN ARIZONA MUNICIPAL CORPORATION BY FINAL ORDER OF CONDEMNATION AS RECORDED AS 2001-665292 OF OFFICIAL RECORDS.



Project Site

Elliot Rd.

Alma School Rd.

Vicinity Map

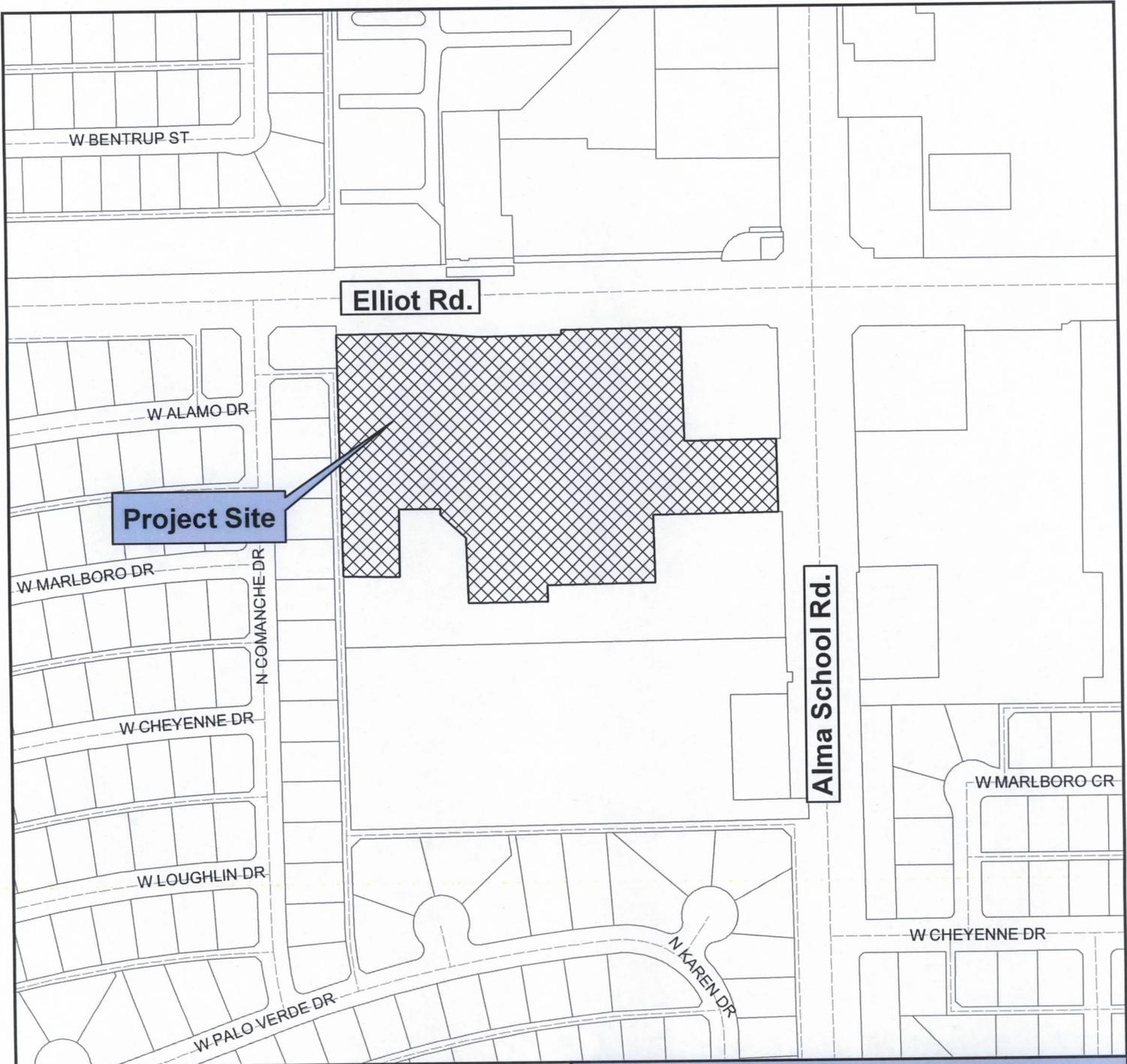


2994 N. Alma School Rd.



Chandler ♦ Arizona
Where Values Make The Difference

CITY OF CHANDLER 6/7/2016

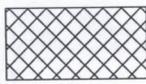


Project Site

Elliot Rd.

Alma School Rd.

Vicinity Map



2994 N. Alma School Rd.

RESOLUTION NO. 4965

A RESOLUTION OF THE CITY OF CHANDLER, ARIZONA, APPROVING AN AGREEMENT BETWEEN THE CITY OF CHANDLER AND FURNITURE & MATTRESS DISCOUNTERS, LLC TO PROVIDE INFILL INCENTIVE PLAN FUNDING IN AN AMOUNT NOT TO EXCEED \$11,000 FOR ASSISTANCE IN THE RENOVATION OF A COMMERCIAL BUILDING LOCATED AT THE SOUTHWEST CORNER OF ALMA SCHOOL AND ELLIOT ROADS TO ENABLE EXPANSION OF A FURNITURE STORE.

WHEREAS, the City desires to obtain certain commitments from Furniture & Mattress Discounters, LLC, particularly the renovation of a former Mervyn's building and occupancy and expansion of the business, which the City believes are of value to the City; and

WHEREAS, the general public will receive benefit from those certain commitments; particularly occupancy of a building that has been vacant since approximately early 2009 and potential increases in sales tax revenues from the expansion of Furniture & Mattress Discounters, LLC, and

WHEREAS, the City believes that the improvements will enhance the appearance of the shopping center, bring new economic vitality, contribute to the lowering of commercial vacancy rates and potentially spur additional investment in the area; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Chandler, Arizona, hereby approves the Agreement between the City of Chandler and Furniture & Mattress Discounters, LLC and authorizes the Mayor to execute the Agreement.

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this ___ day of _____, 2016.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 4965 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the ___ day of _____, 2016 and that a quorum was present thereat.

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY *GAB*

INFILL INCENTIVE PLAN AGREEMENT

This Agreement ("**Agreement**") is made this _____ day of _____, 2016 (the "**Agreement Effective Date**"), by and between the City of Chandler, an Arizona municipal corporation, hereafter designated as "**City**", and Furniture & Mattress Discounters, LLC, an Arizona limited liability company, hereafter designated as "**Owner**".

RECITALS

- A. Owner holds title in fee simple in and to that certain improved, commercial property located at the southwest corner of Alma School Road and Elliot Road, which consists of land more particularly described in attached Exhibit "A" and the building, structure, and other site improvements located thereon, including without limitation the former Mervyn's facility (the "**Real Property**"). Owner intends to undertake Renovation Work to the building in order to occupy with a furniture store.
- B. In furtherance of the goal set forth in the Chandler General Plan to provide for the redevelopment and/or revitalization of commercial space in developed areas of the municipality, The Chandler City Council adopted the Infill Incentive Plan in February 2009 (the "**Program**"). The Program provides financial incentives for private redevelopment and/or reinvestment in older existing retail centers that are located within a designated area of the municipality and which exhibit vacancy rates greater than city-wide averages or which are at least fifteen (15) years old.
- C. Owner has applied to City and desires to enter into this Agreement in order to have a portion of the costs to be incurred by Owner for the Renovation Work reimbursed by City from funds available under the Program. City has determined that the Renovation Work will assist in the occupancy of the Real Property, which will help in the creation or retention of jobs or which will otherwise improve or enhance the economic welfare of the inhabitants of the municipality and desires to enter into this Agreement with Owner in order to reimburse a portion of Owner's costs incurred for the Renovation Work.

NOW, THEREFORE, in consideration of the above Recitals and the mutual covenants contained herein, City and Owner agree as follows:

1. Renovation Work. Owner shall undertake and complete the Renovation Work as described in the Scope of Work in accordance with the following schedule: (a) Owner shall obtain zoning, development plan, plat and other development approvals necessary for the Renovation of the Real Property and shall obtain all permits needed for the Renovation Work no later than the 181st day following the

Agreement Effective Date; (b) Owner shall complete the Renovation Work no later than the 271st day following the date that the requisite Renovation permits are issued by City's Transportation & Development Department; provided, however, that Owner shall use all reasonable efforts to substantially complete the Renovation Work by the 181st day following the date that the requisite Renovation permits are issued by City's Transportation & Development Department. If the Renovation permits are not obtained or the Renovation Work is not completed within the time periods set forth above (as same may be extended pursuant to Section 1.2), then City may provide a written notice of non-compliance to Owner and if the Renovation permits are not obtained or the Renovation Work is not completed, as applicable, within thirty (30) days following Owner's receipt of said notice, then the City's obligations to reimburse Owner's expenses under this Agreement shall terminate and be of no further force or effect.

- 1.1. Time Extensions. City's Economic Development Director (the "**Director**"), in the Director's sole discretion, and upon a determination that Owner is acting in good faith, may extend for up to an additional 30 days the period by which Owner must obtain development approvals for the Real Property and Renovation permits for the Renovation Work and may extend for up to an additional 30 days the period by which Owner must complete Renovation Work.
 - 1.2. Completion of Renovation Work. The Renovation Work shall be deemed completed when City's Transportation & Development Department inspects the Real Property and confirms that the Renovation Work has been substantially completed in accordance with the Renovation permits issued for the Renovation Work. If the Renovation Work, as described in the Scope of Work, is being conducted in more than a single phase, the Renovation Work shall be deemed completed for purposes of this Agreement when City's Transportation & Development Department inspects the Real Property and confirms that all phases of the Renovation Work has been substantially completed in accordance with the Renovation permits issued for the all phases of the Renovation Work.
2. Reimbursement of Owner's Expenses. In consideration for Owner completing the Renovation Work and provided that Owner satisfies all of the other terms and conditions set forth in this Agreement, City shall reimburse Owner up to the aggregate sum of a \$11,000.00 for certain categories of expenses actually incurred by Owner in completing the Improvements. Reimbursement for any expense category shall be limited to the maximum amounts listed below:

| | |
|----------------------|-------------|
| Painting of Building | \$11,000.00 |
|----------------------|-------------|

Total Reimbursement

\$11,000.00

3. Encumbrance of Funds. Within five (5) days following the Agreement Effective Date, in order to assure that sufficient funds are available for City to make the reimbursement described in this Agreement, the Director shall cause an amount equal to the total aggregate sum available for reimbursement under this Agreement to be encumbered through the Accounting Division of City's Management Services Department until the 291st day following the date that the building permits are issued for the Improvements. If the Director extends the period stated in paragraph 1 above, the Director shall also arrange a corresponding extension of the encumbrance.
4. Claim for Reimbursement.
 - 4.1. Claim Submittal. Within forty-five (45) days following completion of the Renovation Work, Owner shall submit to the Director a written claim for reimbursement under this Agreement, together with copies of all paid bills, cancelled checks, contractor lien waivers and receipts showing the full cost of and full payment for all of the Renovation Work.
 - 4.2. Release of Payment. Upon receipt of Owner's written claim for reimbursement, the Director shall obtain verification from City's Transportation & Development Department that the Renovation Work has been completed as required by this Agreement. Upon obtaining verification, the Director shall forward a request to City's Accounting Division to disburse a reimbursement check made payable to Owner in the amount agreed upon herein. Provided that the Renovation Work has been completed as required under this Agreement, City's Accounting Division shall issue and deliver the reimbursement check to Owner within forty-five (45) days following City's receipt of a written claim for reimbursement.
5. Review of Improvements. The Director or other representative of City's Economic Development Division may periodically review the progress of the Renovation Work. Any such review is in addition to, and not in place of, any required inspection by City's Transportation & Development Department. All work not in material conformance with the approved drawings and specifications and/or with the Scope of Work shall be immediately remedied by the Owner. Deficient or improper work shall be replaced and made to comply with the approved drawings, specifications and terms of this Agreement.

6. No Interference With Normal Approval Process. This Agreement is not intended to, and should not be construed as, interfering with or modifying in any way, or as constituting a waiver of or release from, the normal procedures and requirements of the City of Chandler for obtaining development approvals and/or renovation permits necessary for any redevelopment, revitalization or improvement to the Real Property. Owner must still meet all such requirements, meet any required development standards and pay any development fees, impact fees, plan review/permit fees, buy-ins, and other fees applicable to the Renovation Work and/or the redevelopment of the Real Property in accordance with City's local codes or ordinances. However, to obtain the reimbursement provided for under this Agreement, Owner will be required to meet the Scope of Work even if they exceed the standards that would otherwise be required for the Renovation Work.
7. Failure to Complete Work. If Owner or Owner's contractor fails to complete the Renovation Work in material conformity with the Scope of Work and Renovation permits and all terms of this Agreement, the Agreement shall terminate and the financial obligation on the part of City shall cease and become null and void in accordance with the terms of this Agreement.
8. Unrelated Improvements. Nothing herein is intended to limit, restrict or prohibit Owner from undertaking any other work in or about the Real Property which is unrelated to the Infill Incentive Plan or the Scope of Work provided for in this Agreement.
9. Other Grants & Awards. Nothing herein shall prohibit Owner from making application to City for other grants, awards or other benefits under other City programs or from applying for additional grants under this Program.
10. Binding Agreement; Not Running With the Land. The Agreement is binding upon City, Owner and their respective successors, heirs and assignees. However, this Agreement is not one intended to run with the land.
11. Indemnification. Except for breaches or defaults by City under the terms of this Agreement, or violations of law by City, Owner shall defend and hold harmless City, its elected officials, officers, agents and employees from and against all loss, damage, claims, suits, proceedings, costs and expenses (including but not limited to reasonable attorney's fees, costs and experts' fees), arising or resulting from, caused or occasioned by, or related to the Renovation Work, the Scope of Work or Owner's obligations, performance and actions taken or not taken or pursuant to this Agreement.
12. Attorney's Fees. In the event that either party institutes proceedings against the other

for a violation of this Agreement and secures a judgment in its favor, the court having jurisdiction thereof shall include in this judgment against such party all expenses, including but not limited to reasonable attorney's fees, court costs and witness fees, incurred by such party in connection therewith.

13. Remedies. Upon a breach of this Agreement, the non-breaching party, in any court of competent jurisdiction, by an action or proceeding in equity, may secure rescission of the Agreement, a declaratory judgment, specific performance of the covenants and agreements herein contained or damages in the amount of the reimbursement obligations set forth above in Section 2 of this Agreement or attorneys' fees obligations set forth above in Section 12 of this Agreement. These shall be the sole remedies available to the non-breaching party. Except as specifically permitted by the terms of this Agreement, monetary damage remedies are hereby expressly excluded. Before any performance failure shall be deemed to be a breach of this Agreement, the non-breaching party shall notify the breaching party in writing of the alleged failure and shall demand performance.

14. Notices. All notices, consents, approvals, and waivers required or permitted hereunder shall be given in writing and shall be effective upon personal delivery or direct facsimile transmission, or two (2) business days after being deposited with the U.S. Postal Service, registered or certified, return receipt requested, postage prepaid, or one (1) business day after being deposited with any commercial air courier or express service. All such items shall be addressed as follows or to such other address or addresses as the parties may from time to time specify in writing delivered as provided in this paragraph 14:

To Owner: Asad Hasasneh
 Furniture & Mattress Discounters, LLC
 2994 N. Alma School Road
 Chandler, AZ 85224

To City: City of Chandler
 Micah Miranda
 Economic Development Director
 Mail Stop 418, P.O. Box 4008
 Chandler, AZ 85244-4008

15. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Arizona. There are no understandings or agreements except as expressly stated herein.

16. Waiver. No waiver by either party of a breach of any terms 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 or condition herein contained.
17. Severability. In the event that any phrase, clause, sentence, paragraph, section, article, or portion of this Agreement shall become illegal, null or void 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.
18. Display of City Funding Promotional Material. Owner shall prominently display a sign or poster identifying the Real Property as receiving City funding. The sign or poster will be provided by City and shall be displayed in a location determined by Owner during the period running from the Agreement Effective Date until a date that is no less than ninety (90) days after final approval and reimbursement is made. Failure to display said sign or poster is a breach of this Agreement, and shall, at the option of the City, make this Agreement null and void if the City provides written notice of noncompliance to Owner and Owner does not display the required signage on the Real Property on or before the fifth (5th) business days following Owner's written receipt of the written notice from the City advising Owner that the signage is not displayed as required under this Agreement and that this Agreement will terminate if the required signage is not displayed on the Real Property within five days following Owner's receipt of the notice.
19. Exhibits. The exhibits referred to herein and attached hereto are incorporated herein by this reference.
20. 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, are hereby superseded and merged herein.
21. Counterparts. This Agreement may be executed by the signing in counterparts. The execution of this instrument by each of the parties signing a counterpart hereof shall constitute a valid execution, and this instrument and all of its counterparts so executed shall be deemed for all purposes to be a single instrument.
22. Modification. This Agreement may not be modified unless it is in writing and signed by all parties hereto.

23. Time of Essence. Time is of the essence of this Agreement, and City and Owner hereby agree to perform each and every obligation hereunder in a prompt and timely manner.

IN WITNESS WHEREOF, City and Owner have executed this Agreement as of the date set forth above.

CITY OF CHANDLER, an Arizona municipal corporation

ATTEST:

City Clerk

By: _____
Jay Tibshraeny, Mayor

APPROVED AS TO FORM:

City Attorney

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing Agreement was acknowledged before me this ____ day of _____, 2016, by Jay Tibshraeny, the Mayor of the City of Chandler, Arizona, an Arizona municipal corporation, on behalf of the municipal corporation, being authorized so to do.

Notary Public

My Commission Expires:

[Owner's signature page follows]

Furniture & Mattress Discounters, LLC, an Arizona limited liability company,

By: [Signature]

Asad Hasasneh

Its: Owner (President)

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing Agreement was acknowledged before me this 7th day of JUNE, 2016, by Asad Hasasneh, the President of Furniture & Mattress Discounters, LLC, an Arizona limited liability company, on behalf of the company, being authorized so to do.

[Signature]
Notary Public

My Commission Expires:

9/30/2019

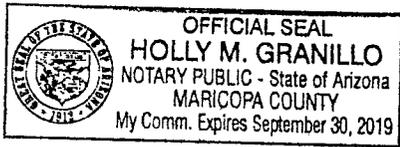


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THENCE SOUTH 89 DEGREES 09 MINUTES 13 SECONDS WEST ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER 850.00 FEET TO THE NORTHEAST CORNER OF THE PLAT OF DOBSON ESTATES TWO, BOOK 209 OF MAPS, PAGE 25, MARICOPA COUNTY RECORDS;

THENCE SOUTH 00 DEGREES 56 MINUTES 38 SECONDS EAST ALONG THE EAST LINE OF SAID PLAT A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 09 MINUTES 13 SECONDS EAST ALONG THE SOUTH LINE OF THE NORTH 50.00 FEET OF SAID NORTHEAST QUARTER 615.00 FEET;

THENCE SOUTH 00 DEGREES 50 MINUTES 47 SECONDS EAST 17.00 FEET TO THE SOUTH LINE OF THE NORTH 67.00 FEET OF SAID NORTHEAST QUARTER;

THENCE SOUTH 89 DEGREES 09 MINUTES 13 SECONDS WEST ALONG SAID SOUTH LINE 213.53 FEET;

THENCE SOUTH 00 DEGREES 50 MINUTES 47 SECONDS EAST 8.00 FEET TO THE SOUTH LINE OF THE NORTH 75.00 FEET OF SAID NORTHEAST QUARTER;

THENCE SOUTH 89 DEGREES 09 MINUTES 13 SECONDS WEST ALONG SAID SOUTH LINE 146.25 FEET;

THENCE NORTH 85 DEGREES 08 MINUTES 09 SECONDS WEST 100.50 FEET TO THE SOUTH LINE OF THE NORTH 65.00 FEET OF SAID NORTHEAST QUARTER;

THENCE SOUTH 89 DEGREES 09 MINUTES 13 SECONDS WEST ALONG SAID SOUTH LINE 155.20 FEET TO THE EAST LINE OF SAID PLAT;

THENCE NORTH 00 DEGREES 56 MINUTES 38 SECONDS WEST ALONG SAID EAST LINE 15.00 FEET TO THE POINT OF BEGINNING;

PARCEL NO. 2:

A NON-EXCLUSIVE EASEMENT FOR PARKING OF MOTOR VEHICLES, INGRESS AND EGRESS, UTILITIES AND PEDESTRIAN TRAFFIC AS CREATED IN INSTRUMENT CAPTIONED GRANT OF RECIPROCAL EASEMENTS AND DECLARATION OF COVENANTS RECORDED AS 85-048068 OF OFFICIAL RECORDS; FIRST AMENDMENT RECORDED AS 85-334358 OF OFFICIAL RECORDS AND SECOND AMENDMENT RECORDED AS 98-816820 OF OFFICIAL RECORDS AND ASSIGNMENT AND ASSUMPTION OF OPERATING AGREEMENTS RECORDED AS 2004-1106171 OF OFFICIAL RECORDS AND ASSIGNMENT AND ASSUMPTION OF RECIPROCAL EASEMENT AGREEMENT RECORDED AS 2005-1410286 OF OFFICIAL RECORDS, OF MARICOPA COUNTY, ARIZONA;

EXCEPT ANY PART THEREOF AS GRANTED TO THE CITY OF CHANDLER, AN ARIZONA MUNICIPAL CORPORATION BY FINAL ORDER OF CONDEMNATION AS RECORDED AS 2001-0105870 OF OFFICIAL RECORDS AND RECORDED AS 2001-838633 OF OFFICIAL RECORDS.

PARCEL NO. 3:

A NON-EXCLUSIVE EASEMENT FOR PARKING OF MOTOR VEHICLES, INGRESS AND EGRESS, UTILITIES AND PEDESTRIAN TRAFFIC AS CREATED IN INSTRUMENT CAPTIONED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED AS DOCKET 15578, PAGE 444 AND AMENDMENTS THERETO RECORDED AS 84-161394 OF OFFICIAL RECORDS; RECORDED AS 88-007757 OF OFFICIAL RECORDS; RECORDED AS 88-007759 OF OFFICIAL RECORDS; RECORDED AS 88-007760 OF OFFICIAL RECORDS AND RECORDED AS 88-007761 OF OFFICIAL RECORDS, OF MARICOPA COUNTY, ARIZONA;

EXCEPT ANY PART THEREOF AS GRANTED TO THE CITY OF CHANDLER, AN ARIZONA MUNICIPAL CORPORATION BY FINAL ORDER OF CONDEMNATION AS RECORDED AS 2001-665292 OF OFFICIAL RECORDS.

EXHIBIT "B"
Scope of Work

THE SCOPE OF WORK INCORPORATES ALL OF THE PLANS AND SPECIFICATIONS SUBMITTED AS PART OF OWNER'S APPLICATION FOR BENEFITS UNDER THE COMMERCIAL REINVESTMENT PROGRAM AS APPROVED AND ACCEPTED BY CITY, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:

I. Renovation:

The City is entering into this agreement due to a commitment by the Owner to perform significant renovation to the building (former Mervyn's), which will allow this facility to be occupied as a furniture store, and will provide a more consistent appearance for the entire shopping center with regards to the overall paint scheme.

Owner agrees that all renovation work that has been previously presented to the City, including new store fronts, façade improvements and signage improvements are conditions of this reimbursement and failure to perform this work shall terminate the City's obligations to reimburse the Owner for a portion of the painting of the building, which is the basis of this Agreement, and cause them to be of no further force or effect.

Owner shall obtain all necessary permits and perform work to:

- a. Install a new storefront, including new windows in the front of the building,
- b. Make façade improvements, including the installation of marble accents on building columns
- c. Install new signage on the building and on monument signs,
- d. Paint the entire building in a manner that is consistent in color and scheme with the remainder of the shopping center,



Previews®

Platinum Painting Commercial Retail Building: MAIN VIEW



Computer monitors and printers vary in color interpretation.
Please consult a Glidden Professional fan deck or paint chips to verify color.



Platinum Painting Commercial Retail Building: MAIN VIEW

Manilla Tan 20YY 61/127

Above Pillar
Middle Body
Pillar

Camel Tan 20YY 41/165

Body
Lower Body

SPLIT RAIL - 352 90YR 08/162

Trim Strip