

WHEN RECORDED RETURN TO:

City of Mesa (Beth Hughes-Ornelas)
55 North Center Street
Mesa, AZ 85201

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement" or "DA") is entered into the _____ day of _____, 2015, by and between Marwest Enterprises LLC, an Arizona limited liability company; Santan 74 LLLP, an Arizona limited liability limited partnership; Ray 39A LLLP, an Arizona limited liability limited partnership; Ray 39C LLLP, an Arizona limited liability limited partnership (collectively, "Owners") and the CITY OF MESA, an Arizona municipal corporation (the "City"). Owners and City are collectively referred to herein as the "Parties," or individually as the "Party."

RECITALS:

A. Owners are the owners of approximately 79.2 net acres of property located on the north side of the Phoenix-Mesa Gateway Airport and immediately south of the Loop 202/ San Tan Freeway in Mesa, Arizona and legally described in Exhibit A and depicted in Exhibit B (the "Property") within the City of Mesa, AZ.

B. The Owners have submitted an application to rezone the Property to Light Industrial with a Planned Area Development Overlay (PAD) to develop a mixed use industrial park to attract a variety of users seeking to develop business in support of and in close proximity to the commerce associated with the Phoenix-Mesa Gateway Airport.

C. The Property is situated within the Airport Campus District of the Mesa Gateway Strategic Development Plan (MGSDP).

D. The Owners and the City acknowledge that this development will be situated at a strategic location on Ray Road near the proposed new entrance to the Phoenix-Mesa Gateway Airport and will therefore have planning and economic benefits to both the City and the Owners.

E. The Parties desire to enter into this Agreement for the purpose of limiting some of the uses permitted in the Light Industrial district that are incompatible with the Mesa Gateway Strategic Development Plan, intending this document to be a "Development Agreement" within the meaning of A. R. S. § 9-500.05.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, and the mutual promises set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties state, confirm and agree as follows:

1. Owner's Duties and Obligations. Owner, its successors and assigns agree that the obligations set forth in this Agreement are covenants running with the land that are binding and enforceable upon Owners, its successors and assigns.

2. Prohibited Uses. Within the Property, the uses listed below shall not be allowed;

- Schools – Public or Private
- Funeral Parlors and Mortuaries
- Large Vehicle & Equipment Sales, Service, Rental
- Medical Marijuana Cultivation Facilities
- Retail Sales Large Format
- Swap Meets and Flea Markets
- Contractors' Yards
- Aircraft Refueling Stations
- Airport Related Long-term Parking Lots
- Aircraft Light Maintenance
- Heliports
- Airport Transit Stations
- Communication Facilities Antenna and Transmission Towers
- Solar Farms
- Utilities Major
- Utilities Minor
- Transportation Facilities
- Mining and Quarrying

To the extent there is a disagreement between the parties as to whether a use is allowed or permitted, such determination shall be submitted to the City's Zoning Administrator, who shall determine whether a proposed use is a prohibited use under this section of the DA, and such a decision shall be final and not subject to appeal.

3. Term/Termination. This Agreement shall become effective on the date this Agreement is recorded and shall continue in full force and effect until the earliest of _____, 2065 or the effective date of Council approved re-zoning in conflict with this Agreement.

4. General Provisions.

4.1 Recordation. This Agreement shall be recorded in its entirety in the Official Records of Maricopa County, Arizona, not later than ten days after its full execution by the Parties.

4.2 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

The City: City of Mesa
20 East Main Street, Suite 750
Mesa, Arizona 85211
Facsimile: 480-644-2175
Attn: City Manager

With copy to: Mesa City Attorney's Office
20 East Main Street, Suite 850
Mesa, Arizona 85211
Facsimile: 480-644-2498
Attn: Deborah J. Spinner, Esq.

Owners: Marwest Enterprises LLC
Attn: Peter Martens
16220 N. Scottsdale Rd. #280
Scottsdale, Arizona. 85254

Santan 74 LLLP
Attn: Peter Martens
16220 N. Scottsdale Rd. #280
Scottsdale, Arizona. 85254

Ray 39A LLLP
Attn: Peter Martens
16220 N. Scottsdale Rd. #280
Scottsdale, Arizona. 85254

Ray 39C LLLP
Attn: Peter Martens
16220 N. Scottsdale Rd. #280
Scottsdale, Arizona. 85254

With copy to: Earl, Curley & Lagarde, P.C.

3101 N. Central Ave., Suite 1000
Phoenix, AZ 85012

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this Section. Notices shall be deemed received (A) when delivered to the party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

4.3 Choice of Law, Venue and Attorneys' Fees. The laws of the State of Arizona shall govern any dispute, controversy, claim or cause of action arising out of or related to this Agreement. The venue for any such dispute shall be Maricopa County, Arizona, and each Party waives the right to object to venue in Maricopa County for any reason. Neither Party shall be entitled to recover any of its attorneys' fees or other costs from the other Party incurred in any such dispute, controversy, claim, or cause of action, but each Party shall bear its own attorneys' fees and costs, whether the same is resolved through arbitration, litigation in a court, or otherwise.

4.4 Default. In the event a Party fails to perform or fails to otherwise act in accordance with any term or provision hereof (the "Defaulting Party") then the other Party (the "Non-Defaulting Party") may provide written notice to perform to the Defaulting Party (the "Notice of Default"). The Defaulting Party shall have 30 days from receipt of the Notice of Default to cure the default. In the event the failure is such that more than 30 days would reasonably be required to cure the default or otherwise comply with any term or provision herein, then the Defaulting Party shall notify the City of such and the timeframe needed to cure such default, so long as the Defaulting Party commences performance or compliance or gives notice of additional time needed to cure within said 30-day period and diligently proceeds to complete such performance or fulfill such obligation; provided further, however, that no such cure period shall exceed 90 days. Any written notice shall specify the nature of the default and the manner in which the default may be satisfactorily cured, if possible.

4.5 Good Standing; Authority. Each Party represents and warrants that it is a duly formed and legally valid existing entity under the laws of the State of Arizona with respect to Owner, or a municipal corporation within Arizona with respect to the City and that the individuals executing this Agreement on behalf of their respective Party are authorized and empowered to bind the Party on whose behalf each such individual is signing.

4.6 Assignment. The provisions of this Agreement are binding upon and shall inure to the benefit and burden of the Parties, and all of their successors in interest and assigns.

4.7 Third Parties. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between the Parties. No term or provision of this Agreement is intended to, or shall be for the benefit of any person, firm or entity not a party hereto, and no such other person, firm, or entity shall have any right or cause of action hereunder.

4.8 Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver of any breach shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant, or condition of this Agreement. No waiver shall be effective unless it is in writing and is signed by the Party asserted to have granted such waiver.

4.9 Further Documentation. The Parties agree in good faith to execute such further or additional instruments and documents and to take such further acts as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

4.10 Fair Interpretation. The Parties have been represented by counsel in the negotiation and drafting of this Agreement and this Agreement shall be construed according to the fair meaning of its language. The rule of construction that ambiguities shall be resolved against the Party who drafted a provision shall not be employed in interpreting this Agreement.

4.11 Computation of Time. In computing any period of time under this Agreement, the date of the act or event from which the designated period of time begins to run shall not be included. The last date of the period so completed shall be included unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday or legal holiday. The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. (Phoenix, Arizona time) on the last day of the applicable time period provided herein.

4.12 Conflict of Interest. Pursuant to A.R.S. § 38-503 and § 38-511, no member, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested. This Agreement is subject to cancellation pursuant to the terms of A.R.S. § 38-511.

4.13 Entire Agreement. This Agreement, together with the following Exhibits attached hereto (which are incorporated herein by this reference) constitute the entire agreement between the Parties:

Exhibit A: Legal Description of the Property

Exhibit B: Depiction of the Property

All prior and contemporaneous agreements, representations and understandings of the Parties, oral or written, are superseded by and merged in this Agreement.

4.14 Time of the Essence. Time is of the essence in this Agreement and with respect to the performance required by each Party hereunder.

4.15 Severability. If any provisions of this Agreement is declared void or unenforceable, such provisions shall be severed from this Agreement, which shall otherwise remain in full force and effect.

4.16 Proposition 207 Waiver. Developer 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 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.

4.17 E-Verify. To the extent applicable under A.R.S. § 41-4401 and 23-214, Owner represents and warrants compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements of A.R.S. 23-214(A). Breach of the above-mentioned warranty shall be deemed a material breach of the Agreement and may result in the termination of the Agreement by City. The City retains the legal right to randomly inspect the papers and records of any employee who works under this Agreement to ensure compliance with the above-mentioned laws.

4.18 Prior Appropriation. Pursuant to ARS § 42-17106, the City is a governmental agency which relies upon the appropriation of funds by its governing body to satisfy its obligations. City represents that it intends to pay all monies due under this Agreement if such funds have been legally appropriated. City agrees to actively request funding for future fiscal periods in order to satisfy the terms of this Agreement. However, in the event that an appropriation is not granted and operating funds are not otherwise legally available to pay the monies due or to become due under this Agreement, City shall have the right to terminate the Agreement without penalty on the last day of the fiscal period for which funds were legally available. In the event of such termination, City agrees to provide a minimum of thirty (30) calendar days' advance written notice of its intent to terminate.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first set forth above:

"City"

CITY OF MESA, an Arizona municipal corporation

By: _____
Its: CITY MANAGER

ATTEST:

Dee Ann Mickelsen, City Clerk

APPROVED AS TO FORM

Deborah J. Spinner, City Attorney

STATE OF ARIZONA)
)ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____, 2015, by Christopher J. Brady, the City Manager for the CITY OF MESA, an Arizona municipal corporation.

Notary Public

My Commission Expires:

"Owners"

Marwest Enterprises LLC
an Arizona limited liability company

By: [Signature]

Name: PETER W. MARTENS

Title: MANAGING MEMBERS.

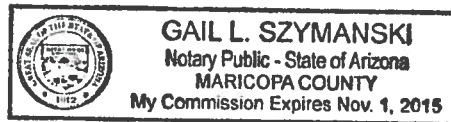
STATE OF ARIZONA)
) ss.
County of MARICOPA)

The foregoing instrument was acknowledged before me this 16TH day of JANUARY, 2015, by PETER W. MARTENS, the MANAGING MEMBER of Marwest Enterprises LLC, an Arizona limited liability company, on behalf of the company.

Gail L. Szymanski
Notary Public

My commission expires:

Nov 1, 2015



Santan 74 LLLP
an Arizona limited liability company

By: [Signature]

Name: PETER W. MARTENS

Title: MANAGING MEMBER

STATE OF ARIZONA)
) ss.

County of MARICOPA)

The foregoing instrument was acknowledged before me this 16TH day of JANUARY, 2015, by PETER W. MARTENS, the MANAGING MEMBER of Santan 74 LLLP, an Arizona limited liability company, on behalf of the company.

Hail L Szymanski
Notary Public

My commission expires:

Nov 1, 2015

Ray 39A LLLP
an Arizona limited liability company

By: [Signature]

Name: PETER W. MARTENS

Title: MANAGING MEMBER

STATE OF ARIZONA)
) ss.
County of MARICOPA)

The foregoing instrument was acknowledged before me this 16TH day of JANUARY, 2015, by PETER W. MARTENS, the MANAGING MEMBER of Ray 39A LLP, an Arizona limited liability company, on behalf of the company.

Hail L Szymanski
Notary Public

My commission expires:

Nov 1, 2015

Ray 39C LLLP
an Arizona limited liability company

By: 

Name: PETER W. MARTENS

Title: MANAGING MEMBER.

STATE OF ARIZONA)
) ss.
County of MARICOPA)

The foregoing instrument was acknowledged before me this 16TH day of JANUARY, 2015, by PETER W. MARTENS, the MANAGING MEMBER of Ray 39C LLP, an Arizona limited liability company, on behalf of the company.


Notary Public

My commission expires:

Nov. 1, 2015

EXHIBIT A
TO DEVELOPMENT AGREEMENT

[Legal Description of the Property]

See following pages

DESCRIPTION

PROPERTY TO BE REZONED
NEAR RAY ROAD AND HAWES

A portion of the South half of Section 20, Township 1 South, Range 7 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at a Maricopa County Aluminum Cap marking the Southeast corner of said Section 20 from which a General Land Office brass cap marking the South quarter corner of said Section 20 bears North 89 degrees 30 minutes 22 seconds West 2644.86 feet;

THENCE North 89 degrees 30 minutes 22 seconds West 1322.43 feet to a 1/2" rebar capped 37936 at the Southeast corner of the Southwest quarter of the Southeast quarter of said Section 20 and the POINT OF BEGINNING;

THENCE continuing North 89 degrees 30 minutes 22 seconds West 1322.43 feet to a General Land Office brass cap at the South quarter corner of said Section 20;

THENCE North 00 degrees 27 minutes 46 seconds West 72.24 feet along the North-South mid-section line of said Section 20 to a brass cap stamped W.A.F.B. 23 1977;

THENCE North 44 degrees 35 minutes 31 seconds West 1900.84 feet to a brass cap stamped W.A.F.B. 22 1977;

THENCE North 89 degrees 29 minutes 54 seconds West 6.34 feet to the West line of the Northeast quarter of the Southwest quarter of said Section 20;

THENCE North 00 degrees 41 minutes 48 seconds West 779.90 feet along said West line to the centerline of Ray Road and a non-tangent curve the center of which bears South 00 degrees 26 minutes 12 seconds West 1400.00 feet;

THENCE Easterly along the arc of said curve through a central angle of 5 degrees 59 minutes 11 seconds an arc length of 146.28 feet;

THENCE North 06 degrees 25 minutes 17 seconds East 85.02 feet to the Southerly right of way line of the Santan Freeway (State Route 202) and a non-tangent curve the center of which bears North 03 degrees 49 minutes 11 seconds West 7866.26 feet;

THENCE Easterly along the arc of said curve and said Southerly right of way line through a central angle of 8 degrees 39 minutes 31 seconds an arc length of 1188.76 feet to a 1/2" rebar capped 31020 and the North-South



EXPIRES 3/31/17

PAGE 1 OF 2



21415 N. 23rd Avenue
Phoenix, AZ 85027
623-869-0223 (office)
623-869-0726 (fax)
www.superiorsurveying.com
info@superiorsurveying.com

DATE: 9/25/14

JOB NO.: 120837

DESCRIPTION

PROPERTY TO BE REZONED
NEAR RAY ROAD AND HAWES

mid-section line of said Section 20;

THENCE South 00 degrees 27 minutes 49 seconds East 1038.15 feet along said mid-section line to the centerline of said Ray Road;

THENCE South 43 degrees 04 minutes 54 seconds East 132.41 feet along said centerline to the North line of the Southwest quarter of the Southeast quarter of said Section 20;

THENCE South 89 degrees 32 minutes 22 seconds East 1225.31 feet to a 1/2" rebar capped 21081 at the Northeast corner of the Southwest quarter of the Southeast quarter of said Section 20;

THENCE South 00 degrees 47 minutes 10 seconds East 1316.69 feet to the Southeast corner of the Southwest quarter of the Southeast quarter of said Section 20 and the POINT OF BEGINNING.

Comprising 88.252 acres or 3,844,247 square feet more or less, subject to all easements of record.



EXPIRES 3/31/17

PAGE 2 OF 2


SUPERIOR
SURVEYING SERVICES, INC.

21415 N. 23rd Avenue
Phoenix, AZ 85027
623-869-0223 (office)
623-869-0726 (fax)
www.superiorsurveying.com
info@superiorsurveying.com

DATE: 9/25/14

JOB NO.: 120837

EXHIBIT B
TO DEVELOPMENT AGREEMENT
DEPICTION OF THE PROPERTY

EXHIBIT A
TO DEVELOPMENT AGREEMENT

[Legal Description of the Property]

See following pages

EXHIBIT B
TO DEVELOPMENT AGREEMENT
DEPICTION OF THE PROPERTY

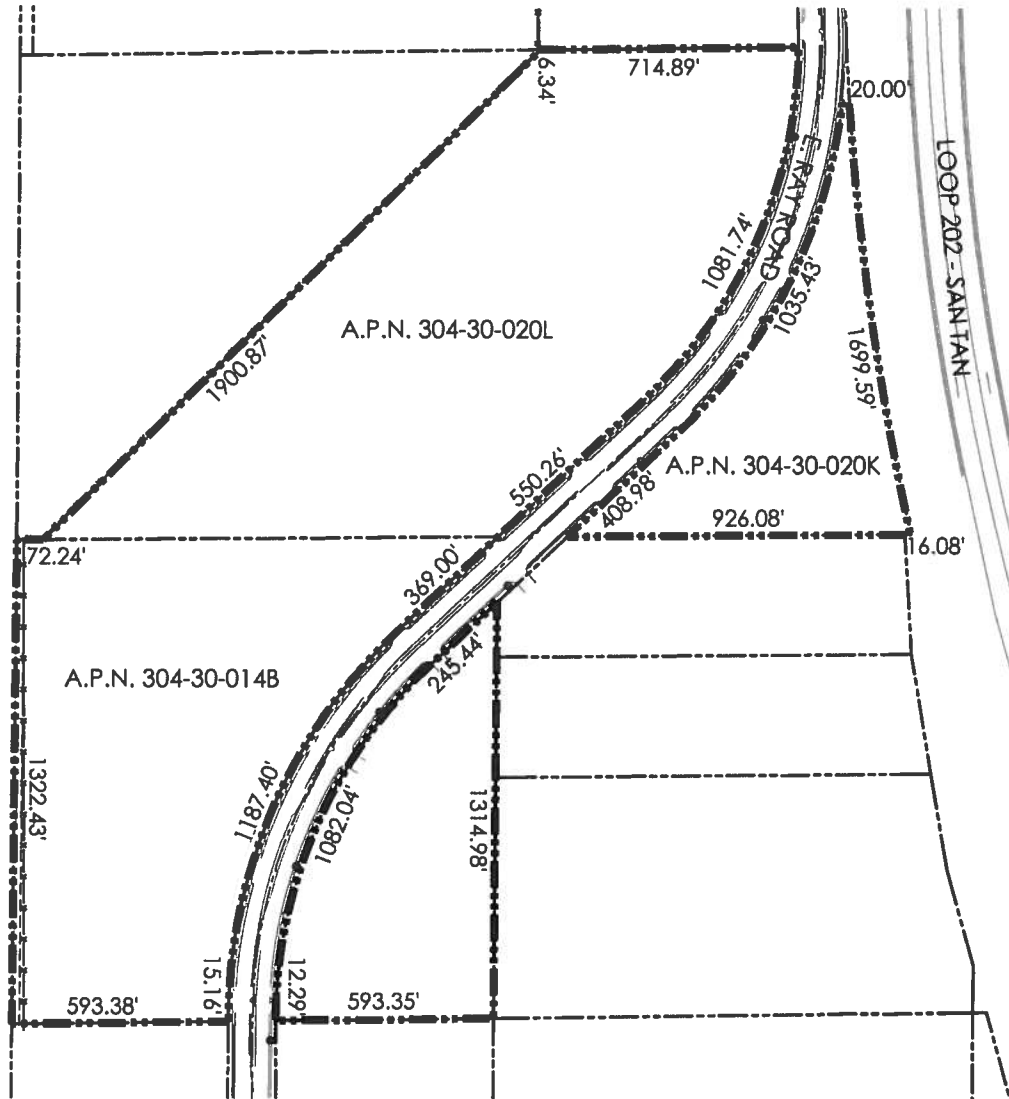


EXHIBIT B MARWEST AT PHOENIX-MESA GATEWAY

SCALE: 1" = 400'
DATE: 1.16.15
GP JOB# 14004



PROPERTY
BOUNDARY PLAN



MESA, AZ
PREPARED FOR: MARWEST ENTERPRISES LLC, SAN TAN 74 LLLP, RAY39A LLLP & RAY39C LLLP