

WHEN RECORDED, RETURN TO:

City of Mesa  
Attn: Real Estate Department  
20 East Main Street, Suite 500  
Mesa, Arizona 85201

**DEVELOPMENT AGREEMENT**  
DA25-00017

This Development Agreement (DA25-00017) (“**Agreement**”) is dated \_\_\_\_\_ and is between the City of Mesa, an Arizona municipal corporation (“**City**”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“**Owner**”). City and Owner are collectively referred to herein as the “**Parties**,” or individually as a “**Party**.”

**RECITALS**

A. Owner owns the real property in Mesa, Arizona generally located north of Redberry, south of the Thomas Road alignment, west of 82nd Place, and east of 80th Place consisting of approximately ten (10) acres, as legally described in Exhibit A and depicted on Exhibit B (the “**Property**”).

B. Owner acquired the Property from City by being the highest bidder in an online auction for the sale of the Property and, following the auction, City and Owner entered into that certain Purchase and Sale Agreement and Escrow Instructions regarding the Property dated \_\_\_\_\_, 2026 (“**Purchase Agreement**”). The Purchase Agreement required, as an element of City’s conditions to close, that Owner enter into this Agreement.

C. Owner is required, pursuant to Mesa City Code Title 9, Chapter 6, and Title 9, Chapter 8, as applicable, to install onsite and offsite improvements, including extending City sewer lines to the Property and connecting to City’s wastewater system. To meet the sewer improvement requirements, Owner would be required to either extend sewer lines from the Property and continuing west, through multiple private properties and a tract with various washes, to connect to City’s wastewater system on Ridgecrest, or extend sewer lines from the Property and continuing east on Redberry to connect to City’s wastewater system on Hawes Road, which would require Owner to install a lift station (the “**Sewer Improvements**”).

D. Mesa City Code Section 9-6-2(F) and Section 9-8-4, as applicable, allow the City Manager to reduce, defer, or approve alternatives to the Sewer Improvements based on an individualized finding that there are special conditions involving topography, land ownership, adjacent development, parcel configuration, or other relevant factors, and that the Sewer Improvements will substantially impair the ability for development due to such conditions.

E. The City Manager has found that there are special conditions associated with the Property, including the nearest suitable and existing wastewater mains are located on Ridgecrest and Hawes Road, each a linear distance of approximately 1,200-1,400 feet from the Property,

and either requiring the sewer line to cross private properties and through a tract with washes, or the installation of a lift station; the Property's size and minimal demand for wastewater services; and the limited availability of future customers along the alignment. The City Manager has further found that requiring Owner to complete the Sewer Improvements will substantially impair the ability of Owner to develop the Property due to the special conditions.

F. To encourage and allow for the development of the Property, and for the reasons stated herein, City finds that alternatives to the Sewer Improvements are in the best interests of City. To that end, the Parties agree that, in lieu of the Sewer Improvements, Owner may install a septic system to serve the wastewater needs of the Property, as set forth in and subject to this Agreement.

G. The Parties desire to enter into this Agreement for the purpose of setting forth the terms and conditions under which the above-described alternative to the Sewer Improvements is approved and intend 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. Agreement Runs With and Binds the Property. All provisions of this Agreement, including the benefits, burdens, and obligations of the Parties, run with and bind the Property and are binding and enforceable upon, and will inure to the benefit of, the Parties and their successors and assigns.

2. Term. This Agreement will become effective on the date this Agreement is recorded in accordance with Section 5.1 ("Effective Date") and will continue in full force and effect until automatically terminated upon the earlier of twenty (20) years after the Effective Date, mutual agreement of the Parties, or termination as otherwise provided in this Agreement.

3. City Obligations. As authorized by Mesa City Code Section 9-6-2(F) and Section 9-8-4, as applicable, as an approved alternative to Owner designing and installing the Sewer Improvements, City agrees to allow the onsite wastewater needs of the Property to be served via a fully contained onsite septic wastewater treatment system approved and permitted by the Maricopa County Environmental Services Department, contingent on the Property being developed as a single residence development and subject to the other requirements of this Agreement (the "**Septic System**"). City, at Owner's request, will provide notice to Maricopa County Environmental Services Department (and any other required department or entity) that Owner is permitted to construct the Septic System on the Property to serve the onsite wastewater needs of the Property.

4. Owner Obligations.

4.1. Current Zoning; Compliance with City Requirements.

A. On the Effective Date, the Property is located within the Rural Residential placetype with a Sustain growth strategy, as designated by the Mesa 2050 General Plan, and is zoned Single Residence-35 (“**RS-35**”), as designated by the Zoning Ordinance. Owner, at its sole cost and expense, may apply to rezone the Property and such rezoning will be reviewed for, among other things, consistency with City’s General Plan. All requests to rezone the Property are subject to the approval of the Mesa City Council, which the Mesa City Council may grant or deny in its sole and absolute discretion.

B. Owner must comply with all requirements of the Mesa City Code applicable to the Property and to the development of the Property, except as explicitly modified by this Agreement, including the Zoning Ordinance (Mesa City Code Title 11); the Land Division Regulations (Mesa City Code Title 9, Chapter 6), including the Desert Uplands Design Standards; the Sanitary Sewer Regulations (Mesa City Code Title 8, Chapter 4); the completion of street improvements, water line extensions, and all other onsite and offsite improvements; and payment of the water and wastewater capacity fee as required by Mesa City Code Title 8, Chapter 10, Section 8-10-13.

4.2. Use of Septic System for Onsite Wastewater Treatment. In lieu of the Sewer Improvements, Owner, at its sole cost and expense, may install and the Property may be served by the Septic System. Except for the Septic System described in this Agreement, no other septic is permitted on the Property. Owner must permit, install, operate, and maintain the Septic System in full conformance with the requirements of both the Maricopa County Health Services Department and the Arizona Department of Environmental Quality, as applicable. For the avoidance of doubt and without limiting the foregoing, the Septic System must comply with all requirements set forth in Title 18, Chapter 9 of the Arizona Administrative Code and all redundancy requirements, including that each lot within the Property must have its own tank, drain field, and space available for a backup septic system. The Septic System may only be used to accept flows from the Property to the exclusion of any other wastewater flows. Owner acknowledges and agrees that the approved alternative to the Sewer Improvements and the ability to serve the wastewater needs of the Property via the Septic System are contingent on the Property being developed as a single residence development.

4.3. Failure of Septic System. If the Septic System fails, Owner may replace the Septic System at Owner’s sole cost and expense with an onsite septic system that is materially the same as the original in size and capacity, and that is approved and permitted by both the Maricopa County Health Services Department and the Arizona Department of Environmental Quality, as applicable.

4.4. Dry Lines; Future Availability of Wastewater Services to the Property.

A. Owner must design and install all onsite plumbing, including the Septic System and dry sewer lines, in a manner that facilitates the future connection of the Property with City’s wastewater system once wastewater services are available at the Property.

The design of the dry sewer lines will be subject to City review and approval. In order for City to locate the service end for future connection of the Property to City's wastewater system, Owner acknowledges and agrees that as part of the permitting process for the development of the Property, Owner will submit to City for City approval the construction documents for the proposed development of the Property (collectively, the "**Construction Documents**"). Construction Documents include the construction callouts describing the end of the service line consistent with City of Mesa Engineering Standards (including the location, which must be immediately adjacent to the right-of-way for the street and compatible with the proposed depth of the wastewater service connection). In addition, the service end must be installed in accordance with the approved Construction Documents and be marked with an electronic marker per MAG Standard Detail 440-1.

B. Owner further acknowledges and agrees that upon City providing written notice to Owner that City wastewater services are available at the Property, Owner will connect to City's wastewater system and stop using the Septic System within sixty (60) days from the date Owner receives such notice. If Owner is required to connect the Property to City's wastewater system, Owner further acknowledges and agrees that Owner must comply with the Mesa City Code and all other City regulations that apply. Thereafter, City will provide wastewater service to the Property.

5. General Provisions.

5.1. Recordation. This Agreement must be recorded in its entirety in the Official Records of Maricopa County, Arizona, not later than ten (10) days after its full execution by the Parties.

5.2. Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement must be in writing and will 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 of the Party set forth below; or (c) given to a recognized and reputable overnight delivery service, to the Party at the address set forth below. The recipients and addresses set forth in this section may be modified by a Party at any time by such Party designating in writing by notice duly given pursuant to this section.

City: City of Mesa  
20 East Main Street, Suite 750  
Mesa, Arizona 85201  
Attn: City Manager

*With a copy to:* City of Mesa  
55 North Center Street  
Mesa, Arizona 85201  
Attn: Development Services Department Director

*and:* Mesa City Attorney's Office  
20 East Main Street, Suite 850

Mesa, Arizona 85201  
Attn: City Attorney

Owner:

*With a copy to:*

Notices will be deemed received (i) when delivered to the Party; (ii) three (3) business days after being placed in the U.S. Mail, properly addressed, with sufficient postage; or (iii) 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 about governing the date on which a notice is deemed to have been received by a Party will mean 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.

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

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

5.5. Remedy/Equitable Relief. The Parties agree that damages alone are not an adequate remedy for the breach of any provision of this Agreement. In the event Owner fails to perform or fails to otherwise act in accordance with any term or provision hereof, City will be entitled, subject to any cure period set forth in this Agreement, to immediately seek enforcement of this Agreement by means of specific performance, injunction, or other equitable relief, without any requirement to post bond or other security. Owner agrees not to oppose or otherwise

challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this Agreement. The specific performance remedy provided in this section will be cumulative relief and will not be a limitation on City's other remedies including the right to seek contract damages under this Agreement.

5.6. Preservation of State Shared Revenue. Notwithstanding any other provision of, or limitation in, this Agreement to the contrary, if pursuant to A.R.S. § 41-194.01 the Arizona Attorney General determines that this Agreement violates any provision of state law or the Constitution of Arizona (including A.R.S. § 42-6201 *et seq.*), City and Owner must use all and best faith efforts to modify the Agreement so as to fulfill each Parties rights and obligations in the Agreement while resolving the violation with the Attorney General. If within thirty (30) days of notice from the Attorney General pursuant to and under the provisions of A.R.S. § 41-194.01(B)(1), City and Owner cannot agree to modify this Agreement so as to resolve the violation with the Attorney General, this Agreement will automatically terminate at midnight on the thirtieth (30th) day after receiving such notice from the Attorney General, and upon such termination the Parties will have no further obligations under this Agreement. Additionally, if the Attorney General determines that this Agreement may violate a provision of state law or the Constitution of Arizona under A.R.S. § 41-194.01(B)(2), and the Arizona Supreme Court requires the posting of a bond under A.R.S. § 41-194.01(B)(2), City may terminate this Agreement, except if Owner posts such bond, if required; and provided further, that if the Arizona Supreme Court, determines that this Agreement violates any provision of state law or the Constitution of Arizona, City or Owner may terminate this Agreement and the Parties will have no further rights, interests, or obligations in this Agreement or claim against the other Party for a breach or default under this Agreement. The computation of time set forth in Section 5.13 will be superseded by the computation of time utilized by the Arizona Attorney General's Office for alleged violations of A.R.S. § 41-194.01.

5.7. Good Standing; Authority. Each Party represents and warrants that it is duly formed and a legally valid existing entity under the laws of the State of Arizona with respect to Owner, or a municipal corporation in Arizona with respect to 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.

5.8. Assignment. Neither Party may assign this Agreement without the prior, written consent of the other Party. Any purported assignment of this Agreement in violation of this section will be void, and not voidable.

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

5.10. Waiver. No delay in exercising any right or remedy will constitute a waiver thereof, and no waiver of any breach will be construed as a waiver of any preceding or

succeeding breach of the same or any other covenant or condition of this Agreement. A waiver will not be effective unless it is in writing and is signed by the Party asserted to have granted such waiver.

5.11. 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.

5.12. Fair Interpretation; Construction. The Parties have been represented by counsel in the negotiation and drafting of this Agreement and this Agreement will be construed according to the fair meaning of its language. The rule of construction that ambiguities will be resolved against the Party who drafted a provision will not be employed in interpreting this Agreement. Words in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The term “including” means “including but not limited to” or “including without limitation.” All references to laws or regulations mean such laws and regulations as amended or replaced.

5.13. 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 will not be included. The last date of the period so completed will be included unless it is a Saturday, Sunday, or legal holiday, in which event the period will 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 will be deemed to expire at 5:00 p.m. (Phoenix, Arizona time) on the last day of the applicable time period provided in this Agreement. A “**business day**” means a City business day which is any day Monday through Thursday except for a legal holiday.

5.14. Conflict of Interest. Pursuant to A.R.S. § 38-503 and A.R.S. § 38-511, no member, official, or employee of City will have any personal interest, direct or indirect, in this Agreement, nor will 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. § 38-513.

5.15. Entire Agreement. This Agreement, together with the recitals (which are incorporated herein by reference) and the following exhibits attached hereto (which are incorporated herein by 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.

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

5.17. Severability. If any provision of this Agreement is declared void or unenforceable, such provision will be severed from this Agreement, and this Agreement will otherwise remain in full force and effect.

5.18. Amendments. Any change, addition, or deletion to this Agreement requires a written amendment executed by both Parties. Within ten (10) days after any amendment to this Agreement, such approved amendment will be recorded in the Official Records of Maricopa County, Arizona.

5.19. Proposition 207 Waiver. Owner hereby waives and releases 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 City's approval of this Agreement. The terms of this waiver will run with the land and will be binding upon all subsequent landowners and will survive the expiration or earlier termination of this Agreement.

*The balance of this page is blank; signatures are on the following two (2) pages.*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

**“CITY”**

CITY OF MESA, ARIZONA,  
an Arizona municipal corporation

\_\_\_\_\_

By: Scott Butler  
Its: City Manager

STATE OF ARIZONA )

) ss.

COUNTY OF MARICOPA )

The foregoing instrument was acknowledged before me, a notary public, this \_\_\_ day of \_\_\_\_\_, 2026, by Scott Butler, the City Manager of the City of Mesa, an Arizona municipal corporation, who acknowledged that he signed the foregoing instrument on behalf of City.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

**“OWNER”**

\_\_\_\_\_,  
a(n) \_\_\_\_\_

\_\_\_\_\_

By:  
Its:

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

) ss.

)

The foregoing instrument was acknowledged before me, a notary public, this \_\_\_\_ day of \_\_\_\_\_, 2026, by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, a(n) \_\_\_\_\_, who acknowledged that he/she signed the foregoing instrument on behalf of Owner.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

**EXHIBIT A TO THE DEVELOPMENT AGREEMENT:**  
**LEGAL DESCRIPTION OF THE PROPERTY**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA AND IS DESCRIBED AS FOLLOWS:

The Southeast quarter of the Northwest quarter of the Northeast quarter of Section 32, Township 2 North, Range 7 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT all coal and minerals as reserved in Patent recorded in Book 339 of Deeds, page 508, records of Maricopa County, Arizona.

**EXHIBIT B TO THE DEVELOPMENT AGREEMENT:**  
**DEPICTION OF THE PROPERTY**

