WHEN RECORDED RETURN TO:

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

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") is entered into by and between the CITY OF MESA, an Arizona municipal corporation (the "City") and Signal Butte Mesa Holdings, LLC, a Delaware limited liability company (the "Owner"). City and Owner are collectively referred to herein as the "Parties," or individually as a "Party."

RECITALS

A. Owner owns approximately +/- sixty-six (66) acres of property located north of the northwest corner of East Elliot Road and South Signal Butte Road in Mesa, Arizona consisting of APN 304-01-012F, as legally described and depicted in Exhibit A (the "Property").

B. The Property is currently zoned Agriculture (AG) and the Owner has submitted an application to rezone the entire Property to Light Industrial with a Planned Area Development Overlay ("LI PAD") through Zoning Case ZON21-01126.

C. The Property is in the Elliot Road Technology Corridor Planned Area Development Overlay ("Technology Corridor"), and Owner is choosing not to have the Property "opt-into" the Technology Corridor zoning.

D. The Parties acknowledge that several of the land uses allowed in the proposed underlying Light Industrial zoning district do not align with the intended land uses of the Technology Corridor; therefore, to address this concern, the Owner has agreed to limit certain uses that are allowed in the proposed LI PAD zoning district.

E. The Parties desire to enter into this Agreement for the purpose of limiting the land uses permitted on the Property as may be required by Mesa Zoning Ordinance § 11-22-2 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. Definitions.

(a) "Building" or "Buildings" shall mean individually or collectively the buildings designated as 1, 2, 3, and 4 on the Property's site plan approved by the City Council concurrently with the approval of this Agreement.

(b) "Tenant" is any owner, tenant, subtenant, licensee, or sublicensee that occupies any portion of a Building during the term of this Agreement.

(c) "Tenant's Space" is the gross floor area of interior Building space that a specific Tenant occupies, leases, sublicenses, licenses, uses, or intends to use including, but not limited to, all suites, offices, hallways or other areas within any Building.

2. Owner's Duties and Obligations. Owner and 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 Owner and its successors and assigns.

3. Prohibited Uses: General. The following land uses in the Mesa Zoning Ordinance (Mesa City Code Title 11), as amended, shall be prohibited on any portion of the Property and shall not be allowed:

(a) Correctional Transitional Housing Facility (CTHF)

(b) Clubs and Lodges

(c) Cultural Institutions

(d) Day Care Centers as a stand-alone use (except that Day Care Centers are allowed if a component of a service to onsite business or industry)

(e) Places of Worship

(f) Schools, Public or Private

(g) Animal Sales and Services, including Kennels, Pet Stores, and Veterinary Services

(h) Artists' Studios

(i) Automobile Rentals

(j) Automobile/Vehicle Service and Repair, Major as a primary use (but allowed as an accessory use to a permitted use)

(k) Automobile/Vehicle Service and Repair, Minor as a primary use (but allowed as an accessory use to a permitted use)

(l) Automobile/Vehicle Washing as a primary use (but allowed as an accessory use to a permitted use)

(m) Large Vehicle and Equipment Sales, Service, and Rental

(n) Service Station

(o) Towing and Impound

(p) Building Materials and Services

(q) Commercial Recreation, Small-Scale and Large-Scale

(r) Eating and Drinking Establishments with Drive-Thru Facilities

(s) Farmer's Market

(t) Funeral Parlors and Mortuaries

(u) Live-Work Units

(v) All Marijuana Uses, including but not limited to, Recreational Dispensaries, Medical Dispensaries, and Cultivation Facilities

(w) Parking, Commercial

(x) Personal Services

(y) Plant Nurseries and Garden Centers

(z) Swap Meets and Flea Markets

(aa) Tattoo and Body Piercing Parlors

(bb) Recycling Facilities, including Reverse Vending Machines, Small Indoor Collection Facilities, and Large Collection Facilities

(cc) Airport Land Use Classifications, including Aircraft Refueling Stations, Aircraft Light Maintenance, Airport Transit Stations, Airport Related Long-Term Parking Lots, Heliports, Transportation Facilities, Outdoor Entertainment or Outdoor Activities, and Outdoor Displays

4. Prohibited Use: Indoor Warehousing and Storage. The intent of this Section 4 is to limit and cap the amount of Indoor Warehousing and Storage (as defined in Mesa Zoning Ordinance § 11-86-5) use on the Property by limiting the amount of the use on the Property overall and the amount of the use in each Building.

(a) The combined use of the Buildings' Indoor Warehousing and Storage facilities on the Property shall be limited to the greater of 180,000 gross square feet or 20.1% of the Buildings' collective total gross interior floor area (the "Warehousing Use Cap"), subject to the following:

(i) Building 1. The maximum amount of interior gross floor area in Building 1 that may be used for Indoor Warehousing and Storage facilities shall be limited to the greater of 90,000 gross square feet or 33.3% of Building 1's total gross interior floor area.

(ii) Building 2. The maximum amount of interior gross floor area in Building 2 that may be used for Indoor Warehousing and Storage facilities shall be limited to the greater of 90,000 gross square feet or 34.6% of Building 2's total gross interior floor area.

(iii) Building 3. Indoor Warehousing and Storage facilities shall be prohibited in any portion of Building 3 and shall not be allowed.

(iv) Building 4. Indoor Warehousing and Storage facilities shall be prohibited in any portion of Building 4 and shall not be allowed.

(v) Each Tenant's Space shall be determined to be either: (1) entirely Indoor Warehousing and Storage use, in which case the floor area of the Tenant's space will be subject to the Warehousing Use Cap; or (2) entirely a use other than an Indoor Warehousing and Storage use, in which case the Tenant's Space shall not be subject to the Warehousing Use Cap, based on the following:

(1) The entire Tenant's Space shall be deemed to be used for Indoor Warehousing and Storage if Tenant's operation or use, or intended operation or use, of the Tenant's Space is primarily or principally for Indoor Warehousing and Storage. Without limiting the foregoing, any Tenant that utilizes fifty percent (50%) or more of its Tenant's Space as indoor warehousing or storage shall be deemed to be using the Tenant's Space "primarily or principally for Indoor Warehousing and Storage", unless (i) the Zoning Administrator determines that the primary and principal use of the Tenant's Space is for research and development or manufacturing; and (ii) the indoor warehousing or storage in the Tenant's Space is for the storing of raw materials or completed products customarily incidental to, related to, and clearly subordinate to Tenant's onsite research and development use or manufacturing use.

(2) If the Tenant's Space is not deemed to be Indoor Warehousing and Storage pursuant to Section 4(a)(v)(1) above, the entire Tenant's Space shall be deemed to not be an Indoor Warehousing and Storage use and will not be counted towards the Warehousing Use Cap.

(b) Notice to Tenants. Prior to a Tenant entering into an agreement with Owner to occupy any portion of a Building, Owner shall notify each such prospective Tenant in writing of the prohibitions and limitations on Indoor Warehousing and Storage in Section 4 of the Agreement (including, but not limited to, Section 4(a) above concerning the limitations on Indoor Warehousing and Storage facilities); and Owner shall include language in each lease, license, or similar agreement that prohibits the use, or conversion to a use, of the Property or Tenant Space that would result in a violation of Section 4 of the Agreement including, but not limited to, Section 4(a).

(c) Cross-Docks. Cross-docks are prohibited anywhere on the Property, including in any Building with Indoor Warehousing and Storage. For the purposes of this Agreement, "cross-docks" means the logistics practice of unloading goods from inbound delivery

vehicles and loading them directly onto outbound vehicles. The prohibition on cross-docks includes: (i) a prohibition that the Buildings shall not have bay doors, docking doors, or other similar loading doors on more than one side of a Building; and (ii) no Building shall serve as a cross-docking terminal.

(d) Prohibition. No use by Owner or Tenant in violation of the Warehousing Use Cap is permitted in a Building or the Buildings. Should the Warehousing Use Cap maximum be reached in a Building or the Buildings, Owner shall not lease, license, or allow any additional floor area within the Buildings to be used for what would be deemed to be an Indoor Warehousing and Storage use pursuant to Section 4(a) and no Tenant in a Building shall convert the use of its Tenant's Space in a manner that would result in a violation of Section 4(a).

(e) Submissions to City. The Indoor Warehousing and Storage Floor area shall be specifically identified on all submissions to City for building permits, tenant improvements, or at such other times as reasonably agreed upon by City and Owner.

(f) Reports to City. Prior to the issuance of the first certificate of occupancy for any Building on the Property, and thereafter on an annual basis, Owner or its successors or assigns owning any portion of a Building on the Property shall submit a report to the City's Economic Development Director via email, with a hard copy mailed to the City of Mesa, Economic Development Department, attention of the Economic Development Director, at 20 E. Main Street, Mesa, Arizona, 85201, confirming compliance with the Indoor Warehousing and Storage requirements in Section 4(a) (the "Report"). The Report shall set forth (1) each Building's Tenant(s) whose use is Indoor Warehousing and Storage based on the requirements of Subsection (b); and (2) the total square footage for each Tenant's Space in the Building. After submission of the initial Report, thereafter the Report shall be submitted on an annual basis no later than January 31st each year.

5. Phasing. The Property's site plan approved by the City Council concurrently with the approval of this Agreement sets forth the location on the Property of the Buildings which shall be constructed in the following two (2) phases: (i) Phase I shall consist of the construction of Buildings 2, 3, and 4; and Phase II shall consist of the construction of Building 1.

6. Disputes. The limitations on use in Sections 3 and 4 are material and essential provisions of this Agreement and City would not have entered into this Agreement but for their inclusion herein. 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 the Agreement and such decision shall be deemed a final decision of the Zoning Administrator, which may then be appealed, and is governed by the appeal rights, as set forth in Mesa Zoning Ordinance § 11-67-12.

7. Term/Termination. This Agreement shall become effective on the date this Agreement is recorded in accordance with Section 8(a) and shall continue in full force until automatically terminated upon the earlier of (a) twenty (20) years after the effective date, (b) termination by the mutual written agreement of the Owner and City pursuant to this Agreement, or (c) the effective date of Mesa City Council-approved rezoning of the Property to a different zoning district than the LI PAD zoning described in this Agreement. The Parties agree that, if only

a portion of the Property is rezoned to a different zoning district than the LI PAD zoning described in this Agreement, the Agreement shall automatically terminate only to that portion of the Property that is so rezoned and will remain in full force and effect as to the remainder of the Property.

8. General Provisions.

(a) Recordation. This Agreement shall 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.

(b) 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: (1) delivered to the Party at the address set forth below; (2) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address of the Party set forth below; or (3) given to a recognized and reputable overnight delivery service, to the Party at the address set forth below. The addresses set forth in this Section 8(b) 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 85211
Attn: City Manager

With a copy to: Mesa City Attorney's Office
20 East Main Street, Suite 850
Mesa, Arizona 85211
Attn: City Attorney

With a copy to: City of Mesa Economic Development Department
20 East Main Street, Suite 200
Mesa, Arizona 85211
Attn: Economic Development Director

Owner: Signal Butte Mesa Holdings, LLC
c/o Mortenson Development, Inc.
700 Meadow Lane N
Minneapolis, MN 55422

With a copy to: Nick Wood
Snell & Wilmer L.L.P.
One Arizona Center
400 East Van Buren Street, Suite 1900
Phoenix, Arizona 85004
Facsimile: 602-382-6070

Notices shall 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 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.

(c) 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.

(d) 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 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 shall 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 or 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 shall be extended,; however, no such extended cure period shall exceed ninety (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.

(e) 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 the Owner fails to perform or fails to otherwise act in accordance with any term or provision hereof City shall 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. The specific performance remedy provided in this Section 8(e) shall be cumulative relief and shall not be a limitation on City's other remedies, including the right to seek contract damages under this Agreement. Additionally, City reserves the right to withhold any City permits or approvals needed to develop, construct, or improve any portion of the Property and may revoke any City approval, permit, or certificate of occupancy if the Owner allows any of the prohibited uses identified in this Agreement to operate on the Property including, but not limited to, Indoor Warehousing and Storage on the Property exceeding the Warehousing Use Cap in violation of Section 4.

(f) 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.

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

(h) No Partnership or Joint Venture; 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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 in this Agreement. A "business day" shall mean a City business day which is any day Monday through Thursday except for a legal holiday.

(m) Conflict of Interest. Pursuant to A.R.S. § 38-503 and A.R.S. § 38-511, no member, official, or employee of 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.

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

(i) Exhibit A: Legal Description & 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.

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

(p) Severability. If any provision(s) of this Agreement is/are declared void or unenforceable, such provision(s) shall be severed from this Agreement, which shall otherwise remain in full force and effect.

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

(r) 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 shall run with the land and shall be binding upon all subsequent landowners and shall survive the expiration or earlier termination of this Agreement.

[SIGNATURES OF THE PARTIES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates set forth below.

"CITY"

CITY OF MESA, ARIZONA,
An Arizona municipal corporation

By: _____

Its: _____

Date: _____

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM

By: _____
City Attorney

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me, a notary public, this ___ day of _____, 2022, by _____, the _____ of the City of Mesa, an Arizona municipal corporation, who acknowledged that he/she signed the foregoing instrument on behalf of City.

_____
Notary Public

My Commission Expires:

_____

"OWNER"

SIGNAL BUTTE MESA HOLDINGS, LLC,
a Delaware limited liability company

By: MDI Signal Butte Mesa, LLC,
a Minneosta limited liability company
Its: Manager

By: _____

Its: PRESIDENT

Date: April 26, 2022

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me, a notary public, this 26th day of April, 2022, by Mark G Sherry, as President of MDI Signal Butte Mesa, LLC, a Minnesota limited liability company.

_____
Notary Public

My Commission Expires:

Jan 31, 2024

JUDY L MOURNING
Notary Public
Minnesota
My Commission Expires
Jan 31, 2024

JUDY L MOURNING
Notary Public
Minnesota
My Commission Expires
Jan 31, 2024

4866-0423-4511

EXHIBIT A

LEGAL DESCRIPTION & DEPICTION OF THE PROPERTY

See attached.

EXHIBIT A

LOT 1, LOT SPLIT
BOOK 1499 OF MAPS, PAGE 40, MCR

A PARCEL OF LAND SITUATED IN A PART OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 11, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPTING THEREFROM THE EAST 40 FEET AS DESCRIBED IN THAT CERTAIN PARCEL RECORDED IN DOCUMENT NO. 2001–433782, RECORDS OF MARICOPA COUNTY, ARIZONA;

ALSO EXCEPTING THEREFROM THE FOLLOWING:

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 11, FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 11 BEARS NORTH 00 DEGREES 37 MINUTES 10 SECONDS WEST, A DISTANCE OF 2638.27 FEET;

THENCE UPON AND WITH THE EAST LINE OF SAID SOUTHEAST QUARTER OF SECTION 11, NORTH 00 DEGREES 37 MINUTES 10 SECONDS EAST, A DISTANCE OF 1319.14 FEET;

THENCE DEPARTING SAID EAST LINE OF SAID SOUTHWEST QUARTER OF SECTION 11, NORTH 89 DEGREES 33 MINUTES 43 SECONDS WEST, A DISTANCE OF 40.01 FEET TO THE SOUTHWEST CORNER OF AFORESAID DOCUMENT NUMBER 2001–433782, AND BEAING THE POINT OF BEGINNING;

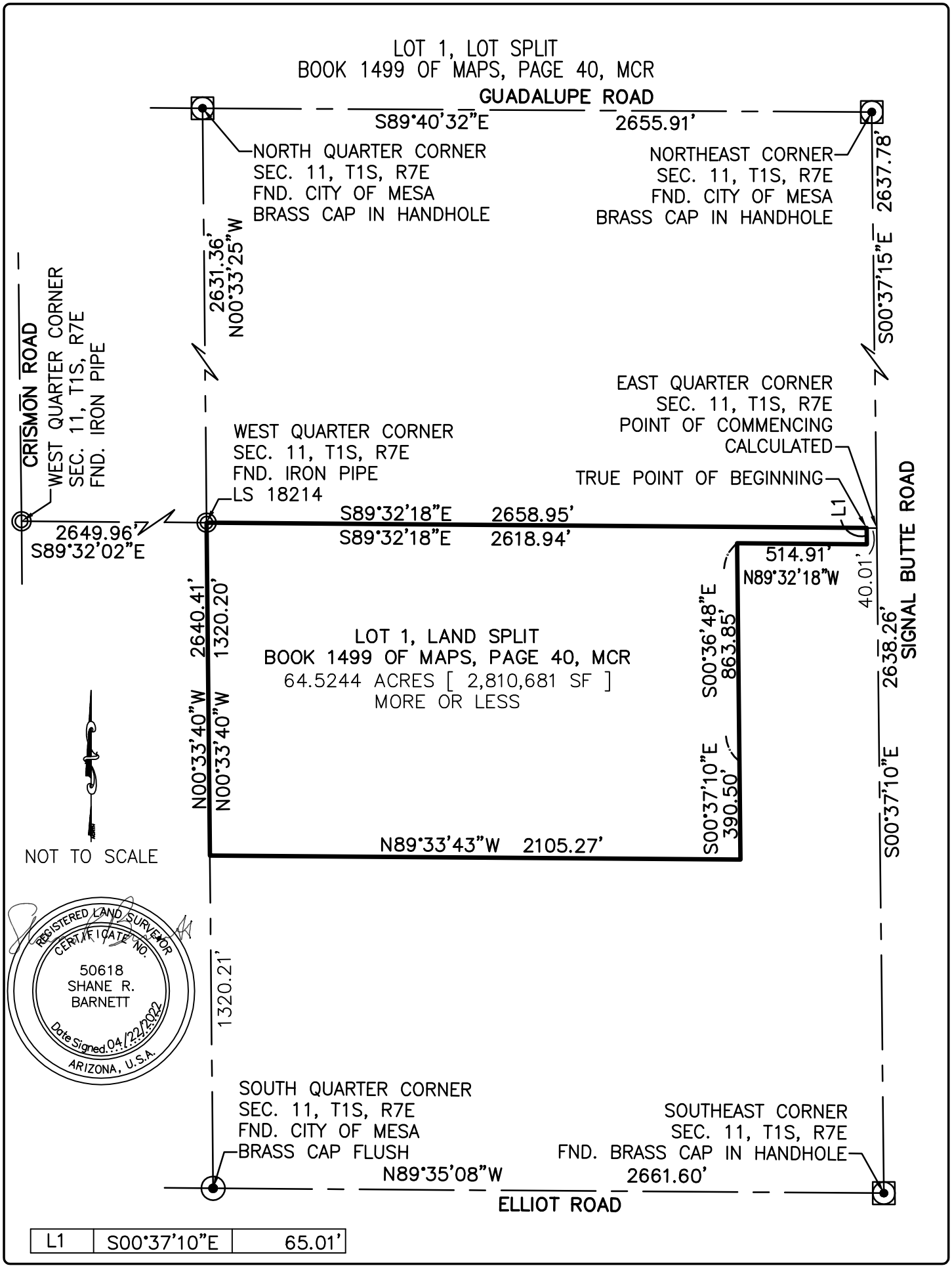
THENCE NORTH 89 DEGREES 33 MINUTES 43 SECONDS WEST, A DISTANCE OF 514.99 FEET;

THENCE DEPARTING SAID SOUTH LINE, NORTH 00 DEGREES 36 MINUTES 56 SECONDS WEST, A DISTANCE OF 1254.36 FEET TO A POINT 65.00 FEET SOUTH OF THE NORTH LINE OF THE AIRESAID SOUTHEAST QUARTER OF SECTION 11;

THENCE UPON AND WITH A LINE PARALLEL TO AND 65.00 FEET SOUTH OF THE SAID NORTH LINE, SOUTH 89 DEGREES 32 MINUTES 16 SECONDS EAST, A DISTANCE OF 514.91 FEET TO A POINT ON THE WEST LINE OF AFORESAID PARCEL DESCRIBED IN DOCUMENT NUMBER 2001–433782;

THENCE UPON AND WITH SAID WEST LINE AND PARALLEL TO AND 40.00 FEET WEST OF THE AFORESAID EAST SECTION LINE, SOUTH 00 DEGREES 37 MINUTES 10 SECONDS EAST, A DISTANCE OF 1254.14 FEET TO THE POINT OF BEGINNING.

CONTAINING 64.5244 ACRES [2,810,681 SF] MORE OR LESS



L1	S00°37'10"E	65.01'