

WHEN RECORDED RETURN TO:

City Clerk's Office
City of Chandler
MS 606
P. O. Box 4008
Chandler, Arizona 85244-4008

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT
FOR DEVELOPMENT OF PROPERTY LOCATED AT THE NORTHWEST CORNER
OF FRYE ROAD AND ELLIS STREET

DATE: October __, 2025

PARTIES: City of Chandler
an Arizona municipal corporation
Mail Stop 602
P.O. Box 4008
Chandler, Arizona 85244-4008
("City")

2500 West Frye Road Owner, LLC, an affiliate of
Lincoln Property Company Commercial LLC, a Texas LLC
Attn: David Krumwiede
3131 E. Camelback Road, #318
Phoenix AZ 85016
and
Lincoln Property Company Commercial LLC, a Texas LLC
Attn: Ryan Sullivan
8111 Douglas Avenue, Suite 600
Dallas, TX 75225
("Developer")

This First Amendment to Development Agreement (the "First Amendment") made effective as provided in Section 7 below and is entered into by and between City and Developer and Developer's permitted assigns, as identified above (collectively, the "Parties").

RECITALS:

A. On or about September 9, 2024, City and CPUS West Frye Road, LP (the "Current Owner") entered into that certain development agreement recorded in its entirety in the Official Records of Maricopa County, Arizona as document number 20240483240,

addressing the development of the Existing Data Center, the Data Center Expansion, Equipment Yards, and other items (the “Development Agreement”).

B. Developer is under contract to purchase the Property and, by no later than October 30, 2025, Developer is to close escrow completing its purchase and thereby becoming the fee title owner of the Property (“COE”).

C. It is currently unknown when and/or how much additional electricity the Salt River Project (“SRP”) will be able to provide to the Property for operation of the proposed Data Center Expansion building; therefore, the Parties agree construction and equipping of the Data Center Expansion building is currently undetermined and may be phased as provided in Sections 3(a.) and 3(c.) below.

D. In order to complete its COE, Developer needs this First Amendment to be approved by the City’s City Council, fully executed by the Parties and deposited in trust with Kensington Vanguard National Title, Attention: Allen Brown, Executive Vice President (“Title Company”) along with the Parties’ mutual instruction to Title Company that (i) this First Amendment shall not be recorded unless and until Developer’s COE is completed whereby Developer is the fee title owner of the Property and (ii) this First Amendment shall be recorded immediately upon recordation of the deed conveying the Property to Developer.

E. Developer has requested that City revise and make changes in connection with the terms of the Development Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises contained herein, and for the purposes set forth in the foregoing recitals which are incorporated herein by reference, the Parties covenant and agree as follows:

1. **Recitals.** The Recitals set forth above are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

2. **Representations and Warranties.** By signing this First Amendment to Development Agreement:

a. City represents and warrants to Developer that: (i) City is authorized and empowered to enter into this First Amendment; and (ii) City has had a full and complete opportunity to review and examine this First Amendment.

b. Developer represents and warrants that it: (i) has an interest in acquiring the real Property, and immediately prior to and upon recordation of this First Amendment, will be the owner of record of the real Property, (ii) is authorized and empowered to enter into this First Amendment; and (iii) has had a full and complete opportunity to review and examine this First Amendment.

3. **Modification of Development Agreement.** The terms of the Development

Agreement are modified as follows:

a. Section 2.1 is amended to provide: The Data Center Expansion may not incorporate or use any Water-Based Cooling Systems and no Water-Based Cooling Systems may be added to the operation of the Existing Data Center. Moreover, each existing Water-Based Cooling System within the Existing Data Center may only be replaced with Mechanical Cooling Systems that do not rely on evaporative cooling. In addition to the foregoing, all Water-Based Cooling Systems operating at the Existing Data Center must be removed or replaced with Mechanical Cooling Systems before the City will issue a temporary certificate of occupancy for the Data Center Expansion. Developer understands that time is of the essence for removal of the Water-Based Cooling Systems on the Property pursuant to this Agreement. Consistent with Recital C, Section 2.8, and to address the phasing of the Data Center Expansion, the City agrees to issue a temporary certificate of occupancy for each phase of the Data Center Expansion for a term not to exceed twelve (12) months from the date of issuance. A temporary certificate of occupancy for each phase of the Data Center Expansion may be renewed by the Development Services Director in the Director's sole discretion for additional terms not to exceed twelve (12) months subject to the Director's receipt of a certification from SRP for each renewal that SRP is unable to deliver sufficient energy through permanent infrastructure and facilities for the respective phase of the Data Center Expansion. Provided, however, the Director may not renew a temporary certificate of occupancy for each phase more than twice and the total term for a temporary certificate of occupancy for each phase must not exceed three (3) years from the Effective Date of this First Amendment. After three (3) years from the Effective Date of this First Amendment, the Director may issue and renew a temporary certificate of occupancy for each phase in the Director's sole discretion. Further, in no event may a final certificate of occupancy be issued for the Property if the Water-Based Cooling Systems have not been fully removed, regardless of circumstances that may arise that are outside the control of Developer. Upon issuance of the final certificate of occupancy for the Data Center Expansion and during the remaining Term of this Agreement, Developer may not use any Water-Based Cooling Systems within the Property.

b. Section 2 is amended to provide an additional Section 2.7: To help facilitate converting the Existing Data Center from the existing Water-Based Cooling Systems to Mechanical Cooling Systems, Developer may elect in its sole discretion to construct and equip what are labeled Proposed Equipment Yards 1 and 2 on attached Exhibit 1 prior to construction of the Data Center Expansion. If Developer makes such election then Developer agrees completion and equipping of Proposed Equipment Yards 1 and 2, shall be completed no later than 3 years after the effective date of this First Amendment and the newly installed Mechanical Cooling Systems shall be used to cool the Existing Data Center and all equipment therein. Further, if Developer makes such election and proceeds to completion and equipping of the Proposed Equipment Yards, then Developer also agrees that the existing Water-Based Cooling Systems in the Existing Data Center shall be decommissioned and removed from the Property no later than 3 years after the effective date of this First Amendment.

c. Section 2 is amended to provide an additional Section 2.8: Due to the uncertainty of when and how much additional electricity SRP will be able to provide to the Property for operation of the proposed Data Center Expansion building, the Parties agree construction of the Data Center Expansion building may be phased in accordance with a phasing schedule that may be submitted by Developer and administratively reviewed and approved by the City's Development Services Director or his/her designee. If Developer opts to submit a proposed phasing schedule and phased plans and elevations, such plans and elevations shall demonstrate how the exterior quality of the phased east, west and south elevations will be commensurate with the exterior quality of the east, west and south elevations in the existing approved PDP.

d. Section 2.4 is amended to provide: Section 35-2214(4) of the City Code ("Baseline Study Section") details requirements for a property owner proposing to build a data center related to studying and documenting ambient sound levels in the area surrounding the proposed site of the new data center, and the Parties acknowledge Developer has complied with this Baseline Study Section. Given the potential for future changes in the immediate area that may affect ambient sound volumes, Developer shall have the right in the future, but not the obligation, to again study and document the baseline ambient sound levels in the area surrounding the Property and to submit the results of this updated study to the City ("Updated Baseline Study"). The Updated Baseline Study must be performed: consistent with the requirements of the Baseline Study Section, except as it relates to any references to the timing of the study and the submission of the study, and prior to commencing operation of, and issuance of a certificate of occupancy for, the Data Center Expansion. Following submission to the City's Zoning Administrator of an Updated Baseline Study, the City shall replace the baseline sound study previously submitted by the Developer with the Updated Baseline Study and shall use the Updated Baseline Study in applying the requirements of the Data Center Sound Requirements as if the Updated Baseline Study had been the sound study originally submitted in compliance with the Baseline Study Section. If Developer elects pursuant to Section 2.7 above to construct and equip proposed Equipment Yards 1 and/or 2 prior to construction of the Data Center Expansion, then prior to obtaining permits for a given phase(s) of the Equipment Yards and equipment, Developer shall cause a qualified acoustical consultant to prepare and submit to the Zoning Administrator a sound study(ies) for the given phase(s) prepared in compliance with the City's Data Center Sound Study Requirements.

e. Section 4 is amended to provide: **Notices.** Unless otherwise specifically provided herein, or unless written notice of a change of address has been previously given pursuant hereto, all notices, demands or other communication given hereunder shall be in writing and shall be deemed to have been duly delivered upon (i) personal delivery, (ii) delivery by a recognized overnight courier (e.g., FedEx, UPS) for next business day delivery, or (iii) as of the fifth (5th) business day after mailing by United States certified mail, postage prepaid, addressed as follows:

To City: Development Services Director
City of Chandler
Mail Stop 405
P.O. Box 4008
Chandler, AZ 85244-4008

With a copy to: Chandler City Attorney
City of Chandler
Mail Stop 602
P.O. Box 4008
Chandler, AZ 85244-4008
Phone: (480) 782-4640

To Developer: David Krumwiede
Senior Executive Vice President
Lincoln Property Company
3131 E. Camelback Road, #318
Phoenix AZ 85016
and
Ryan Sullivan
Lincoln Property Company
8111 Douglas Avenue, Suite 600
Dallas, TX 75225

With a copy to: Edwin C. Bull
Burch & Cracchiolo, P.A.
1850 N. Central Avenue, Suite 1700
Phoenix, AZ 85004

4. Execution and Recording of this First Amendment. As is generally described in Recital D above, the Parties agree that, if this First Amendment is approved by the City's City Council, then this First Amendment shall by no later than October 25, 2025 be fully executed by the Parties and deposited in trust with Title Company with the Parties' mutual instruction to Title Company that (i) this First Amendment shall not be recorded unless and until Developer's COE is completed whereby Developer is the fee title owner of the Property, (ii) this First Amendment shall be recorded immediately upon recordation of the deed conveying the Property to Developer and (iii) Developer's failure to complete its COE by October 30, 2025 whereby Developer does not become the fee title owner of the Property shall render this First Amendment null and void whereupon the Title Company shall mark the executed First Amendment "Void" and immediately return it to the City.

5. References to the Development Agreement. All references to the

Development Agreement are hereby amended to refer to the Development Agreement as amended by this First Amendment to Development Agreement. All other terms, conditions and provisions of the Development Agreement are continued in full force and effect and shall remain unaffected and unchanged except as specifically amended by this First Amendment.

6. Miscellaneous. It is the intent of the City and Developer that all of the terms and provisions of the Development Agreement shall continue in full force and effect except as expressly modified by this First Amendment. In the event of a conflict between the terms of the Development Agreement and the terms of this First Amendment, the terms of this First Amendment shall prevail. This First Amendment shall be governed by the laws of the State of Arizona. Paragraph headings are inserted herein for convenience only and shall not limit the content of any paragraph. This First Amendment shall be construed in accordance with its plain meaning and shall not be strictly construed against any of the Parties hereto. The provisions hereof shall be binding upon and inure to the benefit of City, Developer, and their assigns. If Developer does not complete the COE and become fee title owner of the Property as described in above Recital E and section 4, this First Amendment shall be rendered null and void and neither the City nor the Current Owner shall be bound by the provisions of this First Amendment. This First Amendment may be executed in counterparts and each such counterpart when taken together with all other counterparts shall be deemed one and the same original document. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Development Agreement.

7. Effective Date. This First Amendment shall be effective upon its recordation as provided in Section 4 above and not before.

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IN WITNESS WHEREOF, the Parties hereto have entered into this First Amendment to Development Agreement as of the day and year first above written.

ATTEST:

CITY OF CHANDLER, an Arizona
municipal corporation

City Clerk

By _____
Mayor Kevin Hartke

APPROVED AS TO FORM:

City Attorney

JNB

DEVELOPER:

2500 West Frye Road Owner, LLC,
a Delaware limited liability company

By: 2500 West Frye Road Holdings, LP,
a Texas limited partnership
Its: Sole Member

By: Royal 2500 West Frye Road GP LLC,
a Delaware limited liability company
Its: General Partner

By: Royal MGMT LLC,
a Delaware limited liability company
Its: Manager

By: _____
Name: David R. Krumwiede
Its: Authorized Signatory

D. Krumwiede

State of Arizona)
County of Maricopa)

The foregoing instrument was acknowledged before me this 8th day of October, 20 25, by David R. Kimmwiede, as Authorized Signatory of Lincoln Property Company LLC, a Texas limited liability company.



Nicole R. Donner
Notary Public

(Seal)

EXHIBIT ALEGAL DESCRIPTIONPARCEL NO. 1:

THE EAST 524.65 FEET OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 1 SOUTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THE NORTH 2 FEET OF THE SOUTH 35.00 FEET, AND THE NORTH 15.0 FEET OF THE SOUTH 50.00 FEET OF THE WEST 10.0 FEET OF THE EAST 24.66 FEET, AS CONVEYED TO THE CITY OF CHANDLER, A MUNICIPAL CORPORATION IN DEED RECORDED JUNE 03, 1987 IN RECORDING NO. 87-350459 OF OFFICIAL RECORDS; AND

EXCEPT THE EAST 30 FEET, AND THE NORTH 7 FEET OF THE SOUTH 40 FEET, AS CONVEYED TO THE CITY OF CHANDLER, A MUNICIPAL CORPORATION IN DEED RECORDED JUNE 11, 1987 IN RECORDING NO. 87-372157 OF OFFICIAL RECORDS; AND

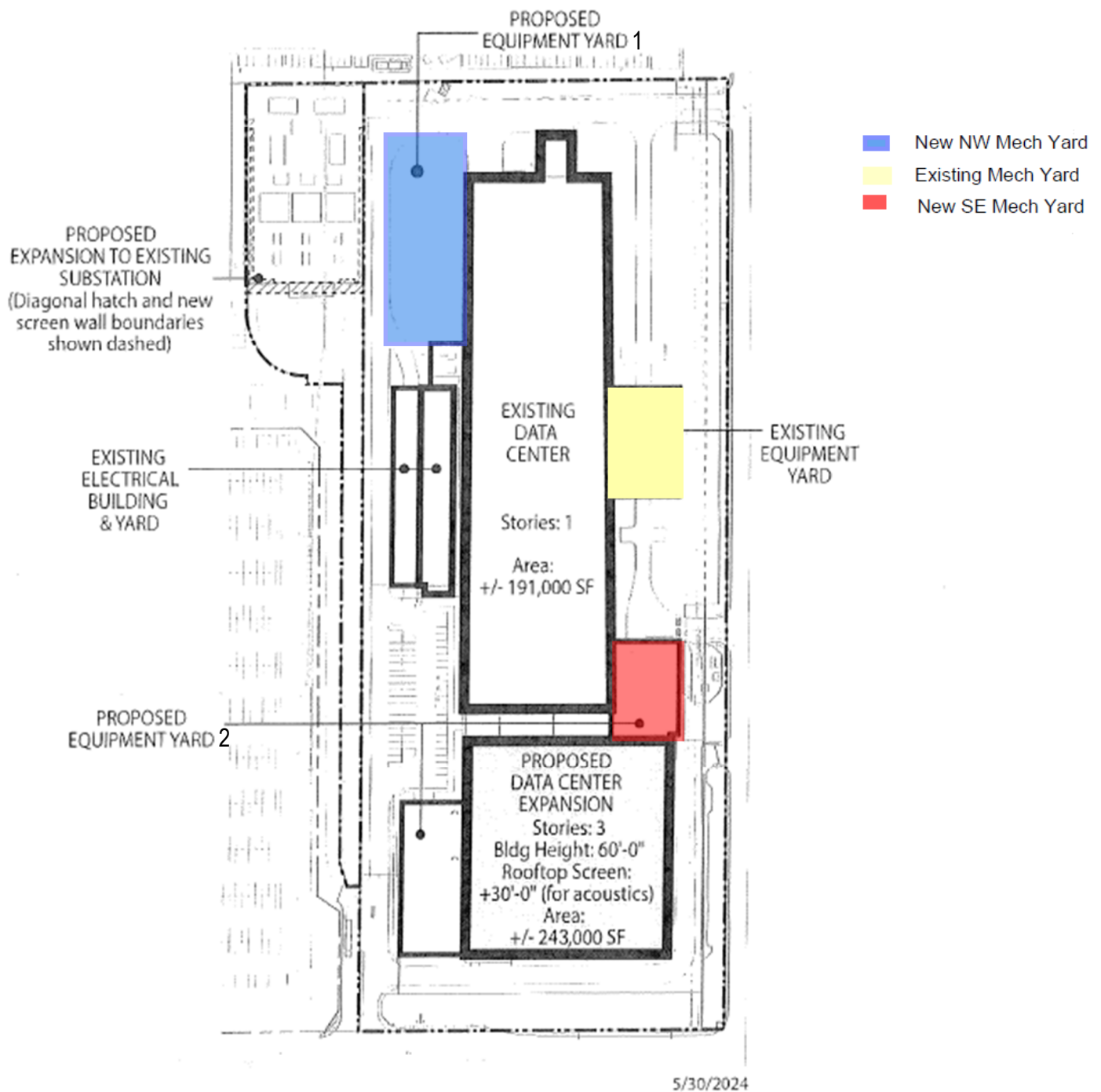
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EXCEPT THE SOUTH 33 FEET RIGHT OF WAY AS CONVEYED IN BOOK 1, PAGE 42 OF ROAD MAPS.

PARCEL NO. 2:

LOT 1B, OF BANK OF AMERICA DATA CENTER, MINOR LAND DIVISION, ACCORDING TO THE MAP OF RECORD IN THE OFFICE OF THE COUNTY RECORDER, MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 1375 OF MAPS, PAGE 3.

EXHIBIT 1



This Exhibit 1 is for illustrative purposes only and not intended to indicate City's formal approval of Developer's site plan