

After recording, please return to:
Parowan City
PO Box 576
Parowan UT 84761

**A DEVELOPMENTAL AGREEMENT
KAY GEEZ STOCK, LC**

This Development Agreement ("Agreement") is entered into this 11th day of May, 2022, by and between the Parowan City, (the "City") whose address is P.O. Box 576, 35 East 100 North, and Kay Geez Stock, LC, ("Developer"), a Nevada Limited Liability Company, whose address is P.O. Box 60070, Boulder City, NV 89006, for the development of certain real property located within the City, and more particularly described by legal description as contained in Exhibit A, which is attached hereto and incorporated by this reference, ("the Property"). The Developer is proposing to develop the Property into an industrial manufacturing business through several stages over a four year time frame, by applying to the City for development approvals, if applicable, the issuance of required permits, and other items, as more fully described hereafter. This Development Agreement is intended to cover this Development as well as obtaining a right of first refusal to purchase additional property as set forth hereafter.

WHEREAS, City is a political subdivision of the State of Utah; and

WHEREAS, Developer is acquiring approximately 28.49 acres of real property located near the airport more particularly located on the North side of Airport Road identified as Parcel #: A-0002-0020-0000 and legally described in Exhibit A; and

WHEREAS, the Property will be developed over a four-year period with three primary phases; and

WHEREAS, the City is willing to enter into this Agreement as the proposed development contains features which advance the objectives of the City, provides jobs and amenities for the residents of the proposed development, provides improvements to City roads, and contributes to the overall infrastructure and improvements of the City, including advancing economic development through the suspension of impact fees; and

WHEREAS, Developer will agree to install all utilities, provide paved or hard surface roads from the public street to the development, provide the Development with facilities for power, water and septic system; and

WHEREAS, if such features are provided, the Developer requires certain necessary guarantees and assurances that the City will issue the necessary approvals, permits and licenses required to complete the Development in such a manner that makes proceeding with the development financially feasible; and

WHEREAS, the City, acting pursuant to its authority under state law, and in furtherance of its land use policies, goals, ordinances and other requirements, has made certain determinations with respect to the Property and Development, and, in exercise of its legislative powers, and in its sole discretion, has elected to enter into this Agreement. The City may enter into a Development

Agreement in appropriate circumstances to promote the orderly and appropriate development of property and to provide public facilities, amenities, and other benefits for the better welfare of the community and in connection with the proposed development; and

WHEREAS, as a requirement of this Agreement, and in order to assure the overall planning of the Property, City is requiring the Developer to prepare and present as a part of this agreement, a preliminary sketch layout for the entire Property as well as access, which is attached hereto as an exhibit and incorporated herein by this reference.

NOW THEREFORE, in consideration of the goals and policies of City, which include the appropriate and coordinated development of property within City, and after consideration by the various services which Developer will provide, and in accordance with provisions, terms or conditions of City, and the Developer as more fully set forth herein, the parties now agree to the following terms and conditions:

AGREEMENT

SECTION 1. CONDITIONS PRECEDENT FOR DEVELOPER AND CITY.

Developer agrees to complete all of the onsite and offsite improvements as required under this Agreement and to construct a facility as outlined herein subject to Developer's ability to reschedule these dates, as necessary, due to unforeseeable events/issues arising from beyond the control of Developer, including but not limited to, weather delays, permits, building materials, shipping, sub-contractor agreements, consultant agreements, labor shortages, acts of God, war, equipment failures, economic impacts to the industry, or other similar events limiting Developer's ability to proceed with the Development Agreement. This Agreement shall automatically extend for such time as is caused by the unforeseeable delay.

Phase 1: Perform the following requirements within the first six months:

- A. Preliminary planning.
- B. Work on off and on-site work preparation work.
- C. Prepare engineering.
- D. Obtain permitting, soils testing, building and property layout design and review.
- E. Expand fenced in area for equipment, heavy haul laydown yard;
- F. Order building materials.

Phase 2: Perform the following requirements within twenty-four months:

- A. Begin construction of an approximately 10,000 square foot building, and other structures as necessary.
- B. Ground prep including sheet grade and graveling of several acres, as well as the equipment yard; and
- C. Begin inventorying Southern Utah equipment rental fleet on site to complete fencing equipment yard within 24 months.

Phase 3: Perform the following requirements within forty-eight months:

- A. Transition Goodfellow Corporation's main fabrication facilities from Boulder City, NV to the Parowan Facility, including construction of a 50,000 square feet of shop space with bridge cranes, heated floors, paint shop, offices, etc.; and
- B. Create local jobs for the community as well as experienced employees.

Developer agrees to proceed with each phase and obtain sufficient funding, as it determines appropriate to assure completion of the improvements by Developer as set forth in this Agreement. All infrastructure shall be developed pursuant to the terms of this Agreement and said development will conform with all of the designs and engineering standards, and improvements necessary or required in the City ordinances.

SECTION 2. GENERAL PLAN DESIGNATION.

The Property, is identified as Industrial Manufacturing, I, and this development complies with current zoning. The Developer is not requesting any amendments to the City General Plan, or zoning, and the Development proposed by the Developer is hereby found, in terms of uses to be consistent and in compliance with the goals, policies, objectives and other provisions of the City's General Plan, as adopted by the City Council, and in effect at the time this Agreement is signed.

SECTION 3. ZONING DISTRICT - ALLOWED USES.

The Property is identified as Industrial Manufacturing I designation on the Zoning Map, as adopted by the City and existing as of the date of this Agreement. Developer asserts that City has very little industrial manufacturing and it is the desire of Developer and City to provide additional employment and income to City businesses to meet the needs of resident opportunities to be employed by Goodfellow Corporation, and to remain within the local community.

SECTION 4. COOPERATION WITH CITY FOR FUNDING OPPORTUNITIES.

The City will work with the Developer to obtain funding through the Iron County Economic Development Agencies, Office of Rural Development at the Governor's Office of Economic Opportunity, and other local, state and federal funding to help secure funding for the following:

- A. Constructing a heavy haul road to the Property;
- B. Construct and install a water line to the Property;
- C. Provide access to Electric Power to service the Property; and
- D. Such other amenities which may serve the general public or Developer's property.

SECTION 5. ISSUANCE OF BUILDING PERMITS AND CERTIFICATES OF OCCUPANCY.

Building permits shall be issued by the City upon full compliance with the requirements of the City in effect at the time of execution of the Development Agreement. The City expressly agrees that the Development design, utilities and construction standards governing the construction of improvements for the entire Development shall be those in effect at the time of execution of this Development Agreement.

SECTION 6. DEVELOPER CONSIDERATIONS.

In order to obtain the benefits of this Agreement, the Developer is willing to provide certain improvements not generally required by the City. The Developer agrees as follows:

A. Provide Water Access to Property.

The Developer agrees to connect to the City's water system in accordance with the engineering standards of the City. City is currently suspending commercial/industrial impact fees for connection to the water system. Developer shall further agree to construct its Development to the City's water system so that will comply with the design, operating and other standards as required by the City Engineer, the Southwest Utah Public Health Department and the Utah Department of Environmental Quality, as applicable, for installation and operation of a water system which will service all areas surrounding the property. The City Council specifically recognizes that Developer's purchase of the property from City waives requirement of water rights as it was not annexed under any Annexation Agreement.

B. Fire Protection - Fire Hydrants.

Developer shall supply to the City fire hydrants of sufficient number to meet the requirements of the Development in accordance with state Code. For the purposes of this Development Agreement, a fire hydrant may be a traditional fire hydrant or another multi-use field connection suitable for attaching fire suppression equipment within the Development, and in any event will provide a minimum flow and standards according to the International Fire Code. City may install fire hydrants or connections along the waterline necessary to service the City's other property or hangers.

C. Utilities.

Developer will cause that all utility lines, including water, power, gas, and telephone, required by the Development to be extended, and buried as applicable, to supply the Development. Developer will cause the installation of a septic system as the development is not located within 300 feet of the city sewer lines. City is currently suspending commercial/industrial impact fees for connection to the City's utility services contained hereunder.

D. Roads.

Developer shall provide paved or hard surface roads to the Development in a manner and in accordance with the development standards of the City. City is currently suspending all commercial/industrial impact fees for construction of City roads.

The project will provide its own septic system as it is not located near sewer lines and water waste demands are limited to bathroom usage.

SECTION 7. RIGHT OF FIRST REFUSAL.

City agrees to provide Developer, or its assigns, a right of first refusal for a period of five years to purchase Parcel #: C-0582-0001-0756-031, said right of first refusal being subject to Developer complying with the terms of this Agreement and completing development as set forth in this Agreement. Sale price of said property shall be fair market value at the time of sale.

SECTION 8. COMPLIANCE WITH ALL OTHER CITY STANDARDS AND REQUIREMENTS.

Except as expressly provided for by this Development Agreement, the Developer acknowledges that nothing in this Agreement shall be deemed to relieve the Developer from all obligations to comply with all other requirements of the City, in effect, and applicable to the development of the Property, including all engineering standards and requirements for proper development.

This Agreement shall vest the Developer, with respect to the Property, the uses, configuration, and development standards as provided by this Agreement, and the Exhibits to be provided when approved by the City. The Developer shall have the right to provide a preliminary sketch to reflect current intent subject to reasonable changes as necessary for the final Development plans reviewed and approved by the City in sketch meetings to assure that it meets all City requirements. City agrees to work with and cooperate with Developer as it develops the Property.

SECTION 9. FURTHER ASSURANCES.

Each party hereto shall take all further acts reasonably necessary in order to carry out the intent and purposes of this Agreement and the actions contemplated hereby. All provisions and requirements of this Agreement will be carried out by each party as allowed by law.

SECTION 10. RESERVED LEGISLATIVE POWERS.

Nothing in this Agreement shall limit the future exercise of the police power by the City in enacting zoning, development policies, ordinances and other regulations after the effective date of

this Agreement, provided, however, that in no case shall the future exercise of the City in enacting said ordinances and regulations limit or change the allowed uses, configuration or the requirement for approval of this Development in effect at the time of execution of this Agreement.

SECTION 11. NO WAIVER.

Failure of a party to this Agreement to exercise any right herein shall not be deemed a waiver of any such right and shall not affect the right of such party to exercise at some future time said right or any other rights it may have under this Agreement. Unless this Agreement is amended, as provided herein, no officer, official or agent of the City has the power to amend, modify or alter this Agreement or waive any of its conditions so as to bind the City by making any promise or representation not contained herein.

SECTION 12. ASSIGNMENT.

Neither this Agreement nor any of the provisions, terms or conditions hereof can be assigned to any other party, individual or entity without assigning rights as well as obligations under this Agreement. Said assignments shall be subject to review by the City Council which is intended to provide that the assignee is of sufficient financial ability to assume the provisions, terms, and conditions of this Agreement. If the City Council determines that the assignee does not have sufficient financial ability to assume and fully carry out the provisions, terms and conditions of this Agreement, all or any portion of this Agreement may still be assigned but the Developer shall remain responsible for the performance of all obligations of this Agreement.

SECTION 13. AGREEMENT TO RUN WITH THE LAND.

This Agreement shall be recorded against the Property described in Exhibit A hereto, and shall be deemed to run with the land and shall be binding upon, and for the benefit of, all successors and assignees of the Developer in the ownership or development of the Property, or portion thereof.

SECTION 14. NO JOINT VENTURE, PARTNERSHIP OR THIRD PARTY RIGHTS.

This Agreement does not create a joint venture, partnership, undertaking or business arrangement between the parties hereto, nor any rights or benefits to third parties, whether as third party beneficiaries or otherwise.

SECTION 15. MERGER AND AMENDMENT.

This Agreement, together with all Exhibits hereto, which are incorporated herein by reference, constitutes the entire Agreement between the City and the Developer supersedes any prior understandings, agreements or representation verbal or written. This Agreement shall not be amended except in written form and executed by the Council, following the close of a Council public hearing, conducted and noticed as required by the laws of the State of Utah for the adoption or amendment of the City General Plan, and after the receipt of a Planning Commission

recommendation, formulated following the close of a Planning Commission public hearing, conducted and noticed as required by the laws of the State of Utah for the adoption or amendment of the City General Plan, and by the Developer.

SECTION 16. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

SECTION 17. TERM OF AGREEMENT.

This Agreement shall be for a period of five (5) years following the date of signing by the City and the Developer, with an option to extend the Agreement for an additional one (1) year if the terms of this Agreement have been substantially complied with, (or there are just cause for delays as set forth herein), unless the Agreement is terminated earlier or its term modified by amendment to this Agreement, as provided herein, or as mutually agreed by the Parties. In the event that Developer elects not to proceed with the Development after the term of this Agreement, City and Developer stipulate that City shall have the right to repurchase the property from Developer at the same price as sold to Developer, subject to any additional reimbursement costs and expenses incurred by Developer to improve the Property. City shall have sixty (60) days to exercise such right to repurchase the property at the end of this Agreement or Developer notifies City that it is not going to develop the property, whichever occurs first.

SECTION 18. SEVERABILITY.

If any part or provision of this Agreement is held to be unconstitutional, invalid or unenforceable by a court of competent jurisdiction such adjudgement shall not affect any other parts or provisions of this Agreement all of which shall remain in full force and effect.

SECTION 19. NOTICES.

All notices and all correspondence required under this Agreement shall be given in writing by certified mail or courier service, prepaid at the following addresses, or other addresses which may be properly noticed by the parties hereto:

To the City;

City Council City Clerk P.O. Box 576 35 East 100 North Parowan, Utah 84761

To the Developer;

Kay Geez Stock, LC
P.O. Box 60070
Boulder City, NV 89006

IN WITNESS THEREOF, the parties have executed this Agreement by their authorized representatives effective as of the day first written above.

MOLLIE HALTERMAN
PAROWAN CITY MAYOR

ATTEST:

CITY CLERK



APPROVED AS TO FORM:

CITY ATTORNEY

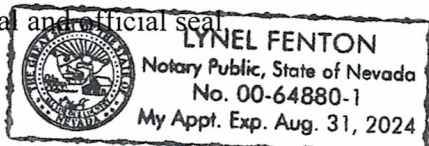
KAY GEEZ STOCK, LC

Kurt Goodfellow, Member

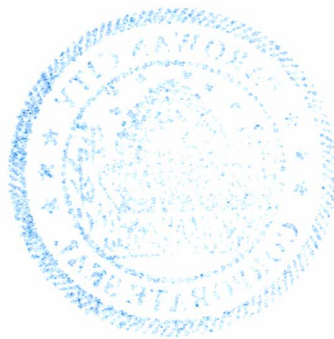
State of NEVADA }

County of CLARK }

On this 9th day of MAY, in the year 2022, before me, Lynel Fenton, a notary public, personally appeared Kurt Goodfellow, proved on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged he executed the same. Witness my hand and official and official seal



Notary Public



LYNCEL FENTON
Attorney Public, State of Nevada
No. 00 44880
My Exp. Exp. Aug 31, 1934

