



When Recorded Return To:
City of St. George
City Attorney's Office
175 East 200 North
St. George, Utah 84770

SG-367-CB; SG-368-CB; SG-360-B-CB;
SG-362-CB; SG-360-A-2-A-CB; SG-360-A-1-A-CB;
SG-360-A-1-B-CB; SG-356-CB; SG-371-CB

**JOINT DEVELOPMENT AGREEMENT BETWEEN
SG BOULEVARD LAND, LLC, THE CITY OF ST. GEORGE,
AND THE NEIGHBORHOOD REDEVELOPMENT AGENCY OF THE CITY OF ST. GEORGE**

THIS JOINT DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between the City of St. George (the "City"), the Neighborhood Redevelopment Agency of the City of St. George ("Agency"), and SG Boulevard Land, LLC, a Utah limited liability company ("Developer"). The Agency and the Developer agree as follows:

[§ 100] SUBJECT OF AGREEMENT

A. [§ 101] Purpose of the Agreement

The purpose of this Agreement is to effectuate the Redevelopment Plan for a portion of the Central Business District Community Development Project Area by providing for the development and operation of a mixed-use project consisting of commercial space, multifamily housing, a mid-block pedestrian corridor, and a boutique hotel (the "Project"). The fulfillment generally of this Agreement is in the vital and best interests of the City and the health, safety, morals, and welfare of the City's residents, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

B. [§ 102] Attachments to this Agreement

The following documents are attached to this Agreement and are incorporated herein as a part of this Agreement:

- Attachment No. 1 — Site Map
- Attachment No. 2 — Legal Description of the Site
- Attachment No. 3 — Scope of Development
- Attachment No. 4 — Method of Financing
- Attachment No. 5 — Schedule of Performance
- Attachment No. 6 — Project Area Plan
- Attachment No. 7 — Overall Development Site Plan
- Attachment No. 8 — Tax Increment Calculations

C. [§ 103] The Project Area Plan

This Agreement is subject to the provisions of the Project Area Plan, which area was designated by resolution of the Redevelopment Agency of St. George on December 17, 2015. The Project Area Plan as designated is incorporated into this Agreement by this reference, and attached hereto as Attachment No. 6.

D. [§ 104] The Project and the Project Area

"The Project" consists of commercial space, multifamily housing, a mid-block pedestrian corridor, and a boutique hotel to be located on the block bounded by St. George Boulevard on the north, Main Street on the east, Tabernacle Street on the south, and 100 West on the west. The "Project Area" is located in St. George City, Utah. The boundaries of the Project area are described in the Project Area Plan.

E. [§ 105] The Site

The Site is that portion of the Project area shown on the "Site Map" (Attachment No. 1) and described in the "Legal Description of the Site" (Attachment No. 2).

F. [§ 106] Parties to the Agreement

1. [§ 107] The Agency

The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under the Utah Code Annotated, 1953, as amended.

The principal office of the Agency is located at 175 East 200 North, St. George, Utah 84770.

2. [§ 108] The City

The City is a municipal corporation exercising governmental functions and powers, and organized and existing under the laws of the State of Utah, and is an intended third party beneficiary of this Agreement.

The principal office of the City is located at 175 East 200 North, St. George, Utah 84770.

3. [§ 109] The Developer

The Developer is a limited liability company organized and existing under the laws of the State of Utah. The principal office of the Developer is located at 180 North University Avenue, Suite 200, Provo, Utah 84601.

Wherever the term "Developer" is used herein, such term shall include any permitted nominee or assignee as herein provided.

G. [§ 110] Basic Conditions

Neither the Developer nor the Agency has any responsibility to carry out any provisions of the Agreement unless:

1. The Developer provides the legally binding commitments for financing the entirety of the Project.
2. The Developer purchases the portion of the Site owned by Laura Bowler LTD ("Bowler") according to the Schedule of Performance (Attachment No. 5).
3. The City contributes the approximately 1.63 acres of property under its ownership within the Site to the Project (Attachment 2), subject to certain

requirements of the Developer in accordance with Section III paragraph G outlined herein.

II. [§ 200] OWNERSHIP OF THE SITE

A. [§ 201] Present Ownership

The Site is presently owned by three (3) owners, as follows:

1. Green Gate Village Investors, LLP
2. The City
3. Bowler

The portions of the Site owned by Bowler are to be acquired by the Developer without Agency assistance. This Agreement is entered into for the purpose of redevelopment of the Site pursuant to this Agreement and not for land speculation.

B. [§ 202] Property to be Contributed to the Developer by the City

1. [§ 203] General

The City holds title to property within the Site some of which, subject to the terms of this Agreement, will be transferred to Developer. Developer has or will enter into a separate agreement with Bowler for the conveyance of its property to permit the Developer's construction of improvements on that parcel in accordance with this Agreement.

C. [§ 204] Costs and Fees for Acquiring an Interest in City Property

The City and Agency have paid or may pay certain fees, charges, and costs associated with the acquisition of the City's property within the Site, including but not limited to:

1. The premium(s) for title insurance policies;
2. Cost of drawing the deed(s);
3. Recording fees;
4. Purchase Price(s);
5. Other acquisition and closing costs.

In addition to other consideration, the Developer shall pay the following costs:

1. The cost to transfer ownership of properties from the Agency, City or third party, to the Developer.
2. All costs to purchase and transfer ownership of property from Bowler as defined in a separate agreement between Bowler and the Developer.

D. [§ 205] Mid-Block Pedestrian Corridor Improvements

Developer will construct the proposed Mid-Block Pedestrian Corridor Improvements ("Mid-Block Improvements") on property owned by the City, at a cost of at least \$400,000, according to the plans approved by the Agency, which shall be substantially similar to the Overall Development Site Plan (Attachment No. 7). Included in the Mid-Block Improvements will be underground parking. Following completion by Developer and acceptance by City of the Mid-Block Improvements, City will thereafter be responsible for the maintenance of these improvements. Agency will contribute the first \$200,000 of tax increment (net of any assessment fees imposed by Washington County) generated by the Project toward

the cost of these improvements ("Mid-Block Improvement Contribution"), Developer is responsible for the remainder of the cost of the improvements.

E. [§ 206] Form of Deed

The City shall convey to the Developer title to the property identified in Attachment 2 that is to be or has been acquired by the City. The provisions of the deed or deeds shall be mutually satisfactory to the Developer, to the Title Insurance Company agreed upon by the parties which will insure the title therein, and to the City, and shall be consistent with the terms of this Agreement. If requested by Developer, City will reasonably cooperate as a grantor on a condominium plat in order to convey rights to Developer to create a subterranean lot to be used for parking which will be underground below the Mid-Block Improvements.

F. [§ 207] Condition of Title

The City shall give the City's Title Notice to the Developer by certifying to Developer that the City has obtained or is able to obtain marketable title to the Parcels acquired or contributed by the City, free and clear of all recorded liens, encumbrances, covenants, conditions, restrictions, assessments, easements, leases, taxes, and other defects, except as explicitly stated in the City's Title Notice.

The Developer shall give Developer's Title Notice to the City within ten (10) days after receiving the City's Title Notice by approving, expressly disapproving or expressly conditionally approving in writing any matter of title in the City's Title Notice. The City may, but shall have no obligation to, within ten (10) days after its receipt of Developer's Title Notice elect to eliminate or ameliorate to Developer's satisfaction the disapproved or conditionally approved title matters by giving Developer written notice of those disapproved or conditionally approved title matters, if any, which the City agrees to so eliminate or ameliorate by the Closing Date.

If the City does not elect to eliminate or ameliorate any disapproved or conditionally approved title matters, or if Developer disapproves the City's Title Notice, or if the City fails to timely deliver City's Title Notice, then Developer shall have the right to either: (1) waive its prior disapproval, in which event said disapproved matters shall be deemed approved; or (2) terminate this Agreement. Failure to take either one of the actions described in (1) and (2) above shall be deemed to be Developer's election to take the action described in (2) above.

If the City has agreed to either eliminate or ameliorate to Developer's satisfaction by the Closing Date certain disapproved or conditionally approved title matters described in Developer's Title Notice, but the City is unable to do so, then Developer shall have the right within five (5) days following the Closing Date (which shall be Developer's sole and exclusive right or remedy for such failure) to either: (1) waive its prior disapproval, in which event said disapproved matters shall be deemed approved; or (2) terminate this Agreement. Failure to take either one of the actions described in (1) and (2) above within five (5) days following the Closing Date shall be deemed to be Developer's election to take the action described in (2) above.

In the event this Agreement is terminated pursuant to the provisions of this Section neither party shall have any further rights or obligations hereunder except for the indemnity obligations of Developer set forth below, which shall survive any such termination.

G. [§ 208] Taxes and Assessment

Ad valorem taxes and assessments, if any, on the portions of the Parcels levied, assessed, or imposed for any period prior to the conveyance of title from City to Developer or delivery of possession thereto from City to Developer, shall be the responsibility of City. All such ad valorem taxes and

assessments levied or imposed for any period after such conveyance of title or delivery of possession shall be paid by the Developer.

The Developer agrees to pay the property taxes on the parcels it owns within the Project when they are due and payable. It is agreed that if the State, Washington County, or any other taxing entity modifies or discontinues the property tax system the Developer shall make payments to City in lieu of taxes in an amount equivalent to the taxes levied in the most recent year prior to the modification or discontinuation until the City has been reimbursed its contribution to the Project. Additionally, the Developer agrees, as further described in Section III paragraph G below that it will make payments to the City for any shortfalls that may exist between the tax increment generated from the Project and the amount necessary to reimburse the City in full for its contribution to the Project.

H. [§ 209] Occupants of the Site

All parcels owned by the City to be used in the Project shall be conveyed to the Developer free of any possession or right of possession, except for city utility easements and except for those approved in writing by the Developer. Subsequently, Developer shall create a new subdivision plat and will dedicate back to the City the Mid-Block Pedestrian Corridor property.

If Developer expressly disapproves or expressly conditionally approves any matter of possession then the City may, but shall have no obligation to, within ten (10) days after its receipt of Developer's notice elect to eliminate or ameliorate to Developer's satisfaction the disapproved or conditionally approved possession matters by giving Developer written notice of those disapproved or conditionally approved possession matters, if any, which the City agrees to so eliminate or ameliorate by the Closing Date.

If the City does not elect to eliminate or ameliorate any disapproved or conditionally approved possession matters, or if Developer disapproves the City's Notice, or if the City fails to timely deliver its Notice, then Developer shall have the right to either: (1) waive its prior disapproval, in which event said disapproved matters shall be deemed approved; or (2) terminate this Agreement. Failure to take either one of the actions described in (1) and (2) above shall be deemed to be Developer's election to take the action described in (2) above.

If, in the City's Notice, it has agreed to either eliminate or ameliorate to Developer's satisfaction by the Closing Date certain disapproved or conditionally approved possession matters described in Developer's Notice, but the City is unable to do so, then Developer shall have the right (which shall be Developer's sole and exclusive right or remedy for such failure) to either: (1) waive its prior disapproval, in which event said disapproved matters shall be deemed approved; or (2) terminate this Agreement. Failure to take either one of the actions described in (1) and (2) above shall be deemed to be Developer's election to take the action described in (2) above.

In the event this Agreement is terminated pursuant to the provisions of this Section neither party shall have any further rights or obligations hereunder except for the indemnity obligations of Developer set forth below, which shall survive any such termination.

I. [§ 210] Submission of Evidence of Financing Commitments

The Developer shall submit to the Agency evidence that the Developer has obtained firm and binding commitments for the construction and permanent financing of the development in accordance with this Agreement and as outlined in the Schedule of Performance (Attachment No. 5).

J. [§ 211] Condition of the Soil

Developer shall have sole responsibility for the conditions of the soil and structures.

K. [§ 212] Demolition of Structures

Developer shall have sole responsibility for demolition of any structures to be demolished on the Site, and to appropriately and satisfactorily reinforce, as determined by the City, any party wall that will remain either during or after demolition.

III. [§ 300] DEVELOPMENT OF PARCELS

A. [§ 301] Scope of Development

The Project shall be developed by the Developer in accordance with the "Scope of Development" (Attachment No. 3), the "Overall Development Site Plan" (Attachment No. 7)

B. [§ 302] Responsibilities of Developer

The Developer without expense to the Agency or City, shall perform all Developer action specified herein and in the Scope of Development (Attachment No. 3) for the Developer to perform, within the times specified in the Schedule of Performance (Attachment No. 5). The costs of performing all such other work specified herein and in the Scope of Development (Attachment No. 3) to be performed by the Developer, shall be borne by the Developer.

C. [§ 303] Basic Concept Drawings

Developer has prepared and submitted to the Agency, Basic Concept Drawings and related documents containing the overall plan for development of the Site, referenced herein and incorporated into this Agreement as Attachment 7.

D. [§ 304] Final Working Drawings and Related Documents

Developer shall prepare and submit to the Agency architectural drawings, landscaping plans, and related documents for architectural review and written approval by the Agency, as and at the respective times established therefore in Section 305 of this Agreement and the Schedule of Performance (Attachment No. 5). "Drawings" are hereby defined as those in sufficient detail to obtain a building permit. Any items so submitted and approved in writing by the Agency shall not be subject to subsequent disapproval.

During the preparation of drawings and plans, the Agency and the Developer shall hold regular progress meetings to coordinate construction plans and related documents.

If any revision or correction of plans approved by the Agency or Developer shall be required by any government official, agency department, or bureau having jurisdiction; or any lending institution involved in financing, Developer and the Agency shall cooperate in efforts to obtain a mutually acceptable alternative.

E. [§ 305] Approval of Plans, Drawings, Covenants, Conditions and Restrictions (CC&Rs) and Related Documents

Subject to the terms of this Agreement, the Agency shall have the right of reasonable architectural review of plans and submissions and review of CC&Rs or other related documents.

The Agency shall approve or disapprove Drawings, CC&Rs and related documents within thirty (30) days after submission to the Agency. Failure by the Agency to either approve or disapprove within the thirty (30) days shall be deemed an approval. Agency review and approval or disapproval of Drawings, CC&Rs and other related documents shall consider conformity to Attachment 7, as well as other matters pertaining to the physical and functional character of the finished Project. Any disapproval shall state in writing the reasons for disapproval and the changes that the Agency requests to be made. Such reasons and such changes must be consistent with the Scope of Development (Attachment No. 3) and any items previously approved or deemed approved hereunder. Developer, upon receipt of a notice of disapproval, shall revise the Drawings, CC&Rs and other related documents, and shall resubmit them to the Agency within twenty (20) days after receipt of the notice of disapproval, unless more time is approved by the Agency, which approval shall not be unreasonably withheld. Plans approved shall be deemed in all respects to be in accordance with the Redevelopment Plan for the Project.

If the Developer desires to make any substantial change in the Drawings, CC&Rs and other related documents or plans after their approval by the Agency, such proposed change shall be submitted to the Agency for approval. If the proposed modifications conform to the requirements of this Agreement and the Attachments, the proposed change shall be approved and the Developer shall be notified in writing within fourteen (14) days after submission to the Agency. Such change in the Drawings or plans shall, in any event, be deemed approved by the Agency unless rejected, in whole or in part, by written notice thereof setting forth in detail the reasons therefore, and such rejection shall be made within said fourteen (14) day period.

F. [§ 306] Method of Financing

The financing of the development of the Site shall be as provided in the Method of Financing (Attachment No. 4). The cost of developing the Site shall be borne by Developer, except for work expressly set forth in this Agreement to be performed or paid for by the Agency.

G. [§ 307] Construction Schedule of Performance

After Developer has obtained title to the Site, Developer shall promptly begin and thereafter diligently prosecute to completion the construction of the improvements thereon and the development thereof as provided in the Scope of Development (Attachment No. 3), within the time specified in the Schedule of Performance (Attachment No. 5) or within such reasonable extensions thereof as may be granted by the Agency. The Schedule of Performance (Attachment No. 5) is subject to revision from time to time as mutually agreed upon in writing between Developer and the Agency.

Upon completion of each Phase, the Agency will review the assessed value as it appears on the Washington County Tax Rolls to verify that the Scope of Development (Attachment No. 3) generates sufficient tax increment (Attachment No. 8) to equal the agreed upon value of the 1.63 acres of City-owned land and Mid-Block Improvement Contribution. In the event that the outlined Scope of Development (Attachment No. 3) results in a shortfall of tax increment needed to repay the City's land value, the Developer shall make payments to the Agency sufficient to reimburse the Agency for the City's contribution of land to the Project. The intent of the Project Area Plan, Scope of Development (Attachment No. 3) and the development of the Project is to generate sufficient tax increment to fully reimburse the Agency for the City's land contribution related to both Phase 1 and Phase 2 property. The Phases are defined in Attachment No. 3. However, to the extent that sufficient tax increment is not generated from Phase 1 and Phase 2, this provision will serve to make the Agency whole. The Agency's land value related to both Phase 1 and Phase 2 City property and anticipated Mid-Block Improvement Contribution is currently estimated to be \$1,778,594 (the "Agency Land Value") which shall be adjusted once the final acreage is confirmed at the time of recording the subdivision plat. The Agency Land Value will be calculated at \$25 per square foot of City land contributed.

If Developer fails to commence construction of Phase 2 as described in the Scope of Development (Attachment No. 3) and Overall Development Site Plan (Attachment No. 7) by the date specified in the Schedule of Performance (Attachment No. 5), the Agency shall have the option to reclaim ownership of the Phase 2 property. If the Agency chooses to exercise this option, Agency will notify Developer in writing of its intentions. Within 30 days of receipt of notification, Developer will convey back to City the Phase 2 property, including rights to access the parking garage as the successor in interest to the Phase 2 property through parking leases and parking easements, and to surface parking improvements located on the property. Provided construction has commenced on the Phase 1 property at the time of conveyance back to the City of the Phase 2 property, Developer shall retain ownership of the Phase 1 property. In the event Agency exercises this option and Developer conveys Phase 2 property back to City, Developer's obligation to generate sufficient tax increment or otherwise make Agency whole will be limited to the value of the Phase 1 property less the value of the parking improvements on the Phase 2 property.

The Developer and the Agency will meet at a minimum once per quarter (every 3 months) until the Project is complete to review and update the Schedule of Performance (Attachment No. 5) and the Scope of Development (Attachment No. 3). If necessary, the Agency and Developer will execute an amendment to this Agreement reflecting any changes that are mutually agreed upon according to the provisions set forth in this Agreement.

During periods of construction, Developer shall submit to the Agency a written report of the progress of the construction when and as requested by the Agency. The report shall be in such form and detail as may be reasonably required by the Agency.

H. [§ 308] Indemnification and Insurance

1. Indemnification

To the fullest extent permitted by law the Developer shall indemnify, defend and hold harmless Agency and City, and its past, present and future agents, representatives and employees from and against all claims, damages, losses, liabilities, liens, cost, citations, penalties, fines and expenses, including but not limited to attorneys' fees, arising out of or resulting from the demolition of existing structures and construction of the Project, provided that such claim, damages, loss, liability, lien, cost, citation, penalty, fine or expense is caused in whole or in part by any negligent act or omission of the Developer, Developer's General Contractor, any subcontractor, any sub-subcontractor, or anyone directly or indirectly employed by any of them or anyone for whose acts of them may be liable, regardless of whether liability is imposed upon such indemnified party by applicable laws, rules or regulations regardless of the negligence, omissions or other fault of such indemnified party. This indemnity obligation is intended to include the indemnification of Agency and City indemnified hereunder for damages apportioned to the Developer, Developer's General Contractor, any subcontractor, any sub-subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. Such obligation shall not be construed to negate, abridge or otherwise reduce any other right or obligation of indemnity, which may otherwise exist in favor of the Agency and/or City. In any and all claims against the Agency and/or City, or any of its past, present or future agents, representatives or employees by any employee of the Developer, Developer's General Contractor, any subcontractor, any sub-subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under this paragraph shall not be limited in any way by any limitation on the amount or types of damages, compensations or benefits payable by or for the Developer, Developer's General Contractor, any subcontractor, any sub-subcontractor under the worker's or workman's compensation acts, disability benefit acts or other employee benefit acts.

To the fullest extent by law, the Developer shall indemnify, defend and hold harmless the Agency and City and any past, present and future agents, representatives and employees from and against all claims, damages, losses and expenses, including but not limited to attorney's fees, directly or indirectly arising out of or based in whole or in part upon:

- a. Developer's breach of any covenant or warranty of this Agreement.
- b. Any damage or loss to any property caused in whole or in part by the Developer, Developer's General Contractor, any sub-subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable, except damages or loss attributable solely to acts or omissions of the Agency or City or its agents or employees and not attributable to the fault or negligence of the Developer.
- c. The Developer's failure to comply with any applicable law, rule or ordinance.
- d. The indemnity obligations of this paragraph are in addition to the indemnity obligation of the Developer under any other section.

2. Insurance

Developer or its General Contractor shall provide the following minimum insurance coverage from companies holding a General Rating of "A" or better as set forth in the most current issue of Best's Key Rating Insurance Guide written for not less than the following, or greater if required by law and all such insurance to be primary to any insurance maintained by Agency or City, shall name Agency and City as additional insureds with waiver of subrogation:

- a. Worker's Compensation Insurance which shall be written for not less than the statutory limits for Utah and the General Contractor's Employer's Liability Insurance shall be written for not less than \$1,000,000.
- b. Comprehensive Automobile Liability Insurance which shall be written with combined single limits of not less than \$1,000,000 each occurrence.
- c. Comprehensive General Liability Insurance with contractual liability coverage on occurrence with limits not less than \$3,000,000 each occurrence.
- d. Builder's risk or course of construction insurance in the amount of all hard construction costs and applicable soft costs (loan interest, loss of income, property taxes, etc.) that would be necessary to rebuild the Project in case of a loss during construction.
- e. The General Contractor shall not commence any work under this Agreement until all of the insurance required herein shall have been obtained by the Developer or General Contractor. The Developer or General Contractor shall furnish to the Agency Certificates of Insurance verifying that such insurance has been obtained. Such certificates will provide that Agency and City will receive at least thirty (30) days prior written notice of any material change in, cancellation of, or non-renewal of such insurance.

I. [§ 309] City and Other Governmental Agency Permits

Before commencement of construction or development of any buildings, structures or other work or improvement upon the Site, Developer shall at its own expense secure, or cause to be secured, any

and all permits which may be required by the City or any other governmental agency affected by such construction, development or work thereon. The Agency shall provide all proper assistance to Developer in securing these permits. Developer in no event shall be obligated to commence construction (the Schedule of Performance [Attachment No. 5] notwithstanding) if any such permit is not issued despite good faith effort by Developer. In the event there is a delay beyond the usual time for obtaining any such permits due to no fault of Developer, the entire Schedule of Performance (Attachment No. 5) shall be extended to the extent such delay prevents or hinders any action which could not legally or would not in accordance with reasonable business practices be expected to occur before such permit was obtained. Any extension of the Schedule of Performance (Attachment No. 5) under this Section 309 shall be by mutual agreement in writing by the Agency and the Developer.

J. [§ 310] Rights of Access

Representatives of the Agency shall have the reasonable right of access to the Site without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including but not limited to the inspection of the work being performed in constructing the improvements; provided that such representatives shall first have come to Developer's construction office located thereon, having identified themselves, and are accompanied by a representative of Developer while on the Site. The rights granted under this Paragraph are conditioned upon such representatives complying with all construction site rules, regulations and safety procedures, including those both promulgated by law and those imposed by the General Contractor on the Property. Such representatives of the Agency shall be those who are so identified in writing by the City Manager. This limitation of access shall not apply to City inspectors or other employees and officers acting within their legal authority.

K. [§ 311] Local, State and Federal Laws

Developer shall carry out the construction of all improvements in conformity with all applicable laws, including all applicable United States, State of Utah, and local government laws including any inspections and certifications required for the construction and occupancy of any buildings, structures or other work or improvement upon the Site.

L. [§ 312] Antidiscrimination During Construction

Developer for itself and its successors and assigns, agrees that in the construction of the improvements provided for in this Agreement, that Developer will not discriminate against any employee or applicant for employment because of sex, marital status, race, color, religion, creed, ancestry, or national origin, and that Developer will comply with all applicable local, state, and United States fair employment laws and regulations.

M. [§ 313] Responsibility of the Agency

The Agency without expense to the Developer or assessment or claim against the Site shall perform all Agency action specified herein and in the Scope of Development (Attachment No. 3) for the Agency to perform, within the times specified in the Schedule of Performance (Attachment No. 5). The costs of performing all such other work specified herein and in the Scope of Development (Attachment No. 3) to be performed by the Agency, shall be borne by the Agency.

N. [§ 314] Certificate of Completion

Promptly after completion of all construction and development by Developer of the improvements upon the Site for each Parcel and for the entire Project as a whole, as described in the Scope of Development (Attachment No. 3), the Agency shall furnish Developer with a Certificate of Completion therefore, upon written request by Developer.

The Agency shall not unreasonably withhold any such Certificate of Completion. Such Certificate of Completion shall be, and shall state that it constitutes, conclusive determination of satisfactory completion of the construction and development of the improvements required by this Agreement upon such Site, and of full compliance with the terms of this Agreement with respect thereto.

Such Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage, nor to any insurer of a mortgage securing money loaned to finance the improvements upon the Site.

IV. [§ 400] TAXES, ASSESSMENTS, AND OTHER CHARGES

A. [§ 401] Utilities

Developer agrees to pay or cause to be paid, as and when they become due and payable, all charges for water, gas, light, heat, telephone, electricity and other utility and communication services rendered or used on or about the Project at all times during the term of this Agreement, related to this Project.

B. [§ 402] SECTION INTENTIONALLY DELETED

C. [§ 403] Payment Generally

Developer shall with regard to the Site pay or cause to be paid, as and when they become due and payable, and before any fine, penalty, interest, or cost may be added thereto; or become due or be imposed by operation of law for the nonpayment thereof, all taxes, assessments, franchises, excises, license and permit fees, and other governmental levies and charges, general and special, ordinary or extraordinary, unforeseen and foreseen, of any kind and nature whatsoever. All such taxes, franchises, excises, license and permit fees, and other governmental levies and charges shall hereinafter be referred to as "Impositions", and any of the same shall hereinafter be referred to as an "Imposition".

D. [§ 404] SECTION INTENTIONALLY DELETED

E. [§ 405] Tax Receipts

If so requested in writing by the Agency or the City, Developer shall furnish to the Agency and City, within forty-five (45) days after the date when any Imposition would become delinquent, official receipts of the appropriate taxing authority or other evidence satisfactory to the Agency and the City evidencing payment thereof.

V. [§ 500] DEFAULTS, REMEDIES, AND TERMINATION

A. [§ 501] Defaults - General

Subject to the extensions of time, failure or delay by any party to perform any term or provision of this Agreement constitutes a default under this Agreement. The party who so fails or delays must immediately commence to cure, correct, or remedy such failure or delay and shall complete such cure,

correction or remedy with reasonable diligence and during any period of curing shall not be in default. With respect to the performance of the obligations hereunder, time is of the essence.

The injured party or parties shall give written notice of default to the party in default, specifying the default complained of by the injured party or parties. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

Default in the timely payment of any tax or assessment shall constitute a default hereunder.

Except as otherwise expressly provided in this Agreement, any failures or delays by any party in asserting any of its rights or remedies as to any default, shall not operate as a waiver of any default or of any such rights or remedies. Delay by any party in asserting any of its rights and remedies shall not deprive any party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

B. [§ 502] Legal Actions

1. [§ 503] Institution of Legal Actions

In addition to any other rights or remedies, any party may institute legal action to cure, correct, or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the District Court of the County of Washington, State of Utah, or in any other appropriate court in that county.

2. [§ 504] Applicable Law

The laws of the State of Utah shall govern the interpretation and enforcement of this Agreement.

3. [§ 505] Acceptance of Legal Process

In the event that any legal action is commenced by Developer against the Agency, service of process on the Agency shall be made by personal service upon the Chairman, or Secretary of the Agency, or in such other manner as may be provided by law.

In the event that any legal action is commenced by the Agency against Developer, service of process on Developer shall be made by personal service upon the general partner, manager or other lawful agent of Developer or in such manner as may be provided by law, and shall be valid whether made within or without the State of Utah.

C. [§ 506] Rights and Remedies are Cumulative

Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by any other party.

D. [§ 507] Damages

If any party defaults with regard to any of the provisions of this Agreement, the non-defaulting party or parties shall serve written notice of such default upon the defaulting party. If the default is not commenced to be cured within thirty (30) days after service of the notice of default and is not cured promptly in a continuous and diligent manner within a reasonable period of time after commencement, the defaulting party shall be liable to the non-defaulting party or parties for any damages caused by such

default, and the non-defaulting party may thereafter (but not before) commence an action for damages against the defaulting party with respect to such default.

E. [§ 508] Specific Performance

If any party defaults with regard to any of the provisions of this Agreement, the non-defaulting party or parties shall serve written notice of such default upon the defaulting party. If the default is not commenced to be cured within thirty (30) days after service of the notice of default and is not cured promptly in a continuous and diligent manner within a reasonable period of time after commencement, the non-defaulting party or parties, at its option, may thereafter (but not before) commence an action for specific performance of the terms of this Agreement pertaining to such defaults.

F. [§ 509] Additional Remedies of the City and Agency

If Developer defaults with regard to any of the provisions of this Agreement, the City and/or Agency shall serve written notice of such default upon Developer. If the default is not commenced to be cured within thirty (30) days after service of notice of default and is not cured promptly in a continuous and diligent manner within a reasonable period of time after commencement, the Agency, at its option, may thereafter (but not before):

Correct or cause to be corrected said default and charge the costs therefore to the account of the Developer;

Correct or cause to be corrected said default and pay the costs thereof from the proceeds of any insurance; or in the event that Developer has obtained a faithful performance bond indemnifying the City and/or Agency, City and/or Agency may call upon the bonding agent to correct said default and pay the cost thereof;

Exercise its right to maintain any and all actions at law or suits in equity to compel Developer to correct or cause to be corrected said default;

G. [§ 510] Rights of Termination Prior to Commencement of Construction

1. [§ 511] Termination by Developer

(a) Developer at its option may terminate this Agreement if the Agency or third party does not acquire and deliver possession of Agency- and City-owned portions of any property identified in Attachment No. 2 in the manner and condition and by the date provided in this Agreement, and such failure is not cured within thirty (30) days after written demand by Developer.

(b) Developer at its option may terminate this Agreement if the actions to be carried out by the City or Agency in Section 110 have not occurred on or before the established dates set forth in the Schedule of Performance (Attachment No. 5).

(c) Developer at its option may terminate this Agreement if the Developer is unable, after reasonable good faith effort, to obtain financing for the Project.

(d) Developer at its option may terminate this Agreement if the Developer is unable, after reasonable good faith effort to obtain a building permit for the Project.

(e) In the event Developer terminates this Agreement or it is terminated for any other reason, Developer agrees to assign its development rights to the Project

and to sell its interest in the Project, including its interest in the Parcels identified herein (with the exception of the Green Gate parcels, which would revert to Green Gate under separate agreement), to Agency or a third party selected by Agency for an amount equal to the out-of-pocket amount expended by Developer including, but not limited to, closing costs in purchasing its interest in the Parcel(s). Developer further agrees to sell and assign all rights to the Agency for all architectural and engineering plans, studies, surveys or other related documents at Developer's out-of-pocket cost.

2. [§ 512] Termination by Agency

(a) Agency at its option may terminate this Agreement if Developer assigns or attempts to assign and/or convey this Agreement (or any rights therein), or the Parcels identified herein (or any rights therein) without the written consent of the Agency, in violation of this Agreement.

(b) The Agency at its option may terminate this Agreement if Developer does not submit Basic Concept Drawings and related documents, or other Drawings, as required by this Agreement, and such breach is not cured within thirty (30) days after the date of written demand therefore by the Agency.

(c) The Agency at its option may terminate this Agreement if Developer does not submit to the Agency evidence that Developer has financial commitments sufficient to enable Developer to finance construction of all phases of the improvements to be constructed on the Site under the Scope of Development (Attachment No. 3) on or prior to the date set forth therefore in the Schedule of Performance (Attachment No. 5).

(d) The Agency at its option may terminate this Agreement if all of the actions to be performed by the Agency and Developer included in the Schedule of Performance (Attachment No. 5) have not occurred on or before the dates therefore set forth.

(e) The Agency at its option may terminate this Agreement if any of the Conditions in Section 110 are not fulfilled.

3. [§ 513] Mutual Termination of a Portion of this Agreement.

SECTION INTENTIONALLY DELETED

H. [§ 514] Attorney's Fees and Court Costs

In the event that either the Agency, City or Developer shall bring or commence an action to enforce the terms and conditions of this Agreement or to obtain damages against any party arising from any default under or violation of this Agreement, then the prevailing party shall be entitled to and shall be paid reasonable attorney's fees and court costs therefore.

VI. [§ 600] GENERAL PROVISIONS

A. [§ 601] Notices, Demands and Communications Between the Parties

Formal notices, demands and communications between the Agency and Developer shall be deemed sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt

requested, to the principal offices of the Agency and Developer. Such written notices, demands, and communications may be sent in the same manner to such other addresses as each party may from time-to-time designate by mail as provided in this Section.

Whenever not otherwise stipulated (such as Sections 207, 209 and 305) when any approval or consent is required under this Agreement (including any exhibits attached to this Agreement), such approval or consent shall not be unreasonably withheld or unduly delayed, and shall be deemed to have been given within fifteen (15) business days if no response is received within such period by the party requesting the same.

B. [§ 602] Conflict of Interests

No member, official, or employee of the Agency or the City shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law.

C. [§ 603] Warranty Against Payment of Consideration for Agreement

Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement, other than normal costs of conducting business and costs of professional services such as architects, engineers, and attorneys.

D. [§ 604] Non-liability of City and Agency Officials and Employees

No member, official, or employee of the Agency or the City shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the Agency, or for any amount which may become due to Developer or successor, or on any obligation under the terms of this Agreement.

E. [§ 605] Enforced Delay; Extension of Times of Performance

In addition to specific provisions of this Agreement, performance by any party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes and lock-outs not directly related to Developer's project; riots; floods; earthquakes; fires; casualties; acts of God; acts of public enemy; epidemics; quarantine restrictions; freight embargoes; a general lack of transportation; governmental restrictions or priority; litigation (other than condemnation actions); unusually severe weather; inability (when both parties are faultless) of any contractor, subcontractor or supplier; acts of the other party; acts or the failure to act, of any public or governmental agency or entity (other than acts or failure to act of the Agency shall not excuse performance by the Agency); or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the enforced delay, which period shall commence to run from the time of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the Agency and the Developer.

F. [§ 606] Submission of Documents for Approval

Whenever this Agreement requires one party to submit plans, drawings or other documents to the other party for approval, which shall be deemed approved if not acted on by the receiving party within the time specified in the Agreement, said plans, drawings or other documents shall be accompanied by a letter stating that they are being submitted and will be deemed approved unless rejected within the stated time.

G. [§ 607] Broker's Commission

The Agency shall not be liable for any real estate commissions or brokerage or finders fees which may arise here from.

H. [§ 608] Mortgage Protection

Notwithstanding any other provision contained in this Agreement to the contrary, prior to exercising any right or remedy under this Agreement (including, without limitation, any right of termination, or demand or suit for damages or specific performance), the Agency shall give the Developer written notice of such failure, outlining in reasonable detail the default of which the Agency complains or any other reason serving as the basis for the exercise of such right or remedy.

The Developer shall have thirty (30) days after the receipt of such notice to cure such default or to eliminate such basis, or in which to commence to cure such default or to eliminate such basis, or in which to commence to cure such default or to eliminate such basis and to thereafter diligently prosecute the same to completion. If the Developer fails to cure such default or to eliminate such basis within such thirty (30) day period and to thereafter diligently prosecute the same to completion, the Agency shall give written notice of such fact to any lender (a "lender") of which the Agency has received written notice, outlining in reasonable detail the default of which the Agency complains or any other reason serving as the basis for the exercise of such right or remedy.

Any lender shall have thirty (30) days after the receipt of such notice to cure such default or to eliminate such basis or in which to commence to cure such default or to eliminate such basis and to thereafter diligently prosecute the same to completion, including the institution and completion of foreclosure proceedings if possession of the Site or a portion of the Site is necessary in order to effect such cure. If no lender cures such default or eliminates such basis within such thirty (30) day period, or commences to cure such default or eliminate such basis within such thirty (30) day period and to thereafter diligently prosecute the same to completion, the Agency may exercise its rights and remedies under this Agreement.

The Agency shall, within fifteen (15) days after the Developer's request, execute and deliver to the Developer an estoppel certificate in favor of the Developer and such other persons as the Developer shall request setting forth the following: (a) a ratification of this Agreement; (b) that this Agreement is in full force and effect; (c) that all obligations under this Agreement to be performed by the Developer have been satisfied, or in the alternative, those claimed by the Agency to be unsatisfied; (d) that no defenses or offsets exist against the enforcement of this Agreement by the Developer, or, in the alternative, those claimed by the Agency; and (e) such other information as the Developer may request. Any lender shall be entitled to reply upon any estoppel certificate executed by the Agency.

The Agency shall from time to time if so requested by the Developer and if doing so will not materially adversely affect the Agency's economic interests under this Agreement, join with the Developer in amending this Agreement so as to meet the needs or requirements of any lender. Likewise, at the request of Agency, Developer shall join with Agency in amending this Agreement to meet Agency's needs, if doing so will not materially adversely affect the Developer's economic interests under this Agreement. Any sale, assignment or transfer of the Developer's default under a debt obligation, shall be subject to this Agreement and the Agency shall attorn to the Developer's successors and assigns and shall recognize such successors or assigns as the Developer under this Agreement, regardless of any rule of law to the contrary or absence of privity of contract.

I. [§ 609] Effect and Duration of Covenants

The covenants regarding uses established in this Agreement shall, without regard to technical classification and designation, be binding on Developer and any successor in interest to the Site or any part thereof, for the benefit and in favor of the Agency, its successors and assigns.

J. [§ 610] Severability

If any provision of this Agreement shall be adjudged invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

K. [§ 611] Prohibition on Transfer or Assignment; Binding Effect

No voluntary or involuntary successor in interest shall acquire rights or powers under this Agreement, except as expressly set forth herein. If permitted by this Agreement, or if mutually agreed to by the parties in writing and signed by both parties, this Agreement and the terms, provisions, promises, covenants and conditions hereof, shall then be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

VII. [§ 700] ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

This Agreement is executed in four (4) duplicate originals, each of which is deemed to be an original. This Agreement includes eighteen (18) pages and eight (8) attachments.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Agency or the Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and Developer.

VIII. [§ 800] TIME FOR ACCEPTANCE OF AGREEMENT BY AGENCY

This Agreement, when executed by Developer and delivered to the Agency, must be authorized, executed and delivered by the Agency within 30 days after the date of signature by Developer, or this Agreement may be withdrawn by Developer on written notice to the Agency. The date of this Agreement shall be the date when this Agreement shall have been signed by the Agency.

IX. [§ 900] SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

All covenants, representations, warranties, covenants and other agreements under this Agreement shall survive the conveyance and transfer of title to the Property.

SIGNATURES ON FOLLOWING PAGE

CITY OF ST. GEORGE:

Jonathan T. Pike
Signature

By: Jonathan T. Pike

Its: Mayor

Date: 3/15/17



ATTEST:

Christina Fernandez
Signature

By: Christina Fernandez

Title: City Recorder

Date: March 15, 2017

NEIGHBORHOOD REDEVELOPMENT AGENCY OF THE CITY OF ST. GEORGE:

Jonathan T. Pike
Signature

By: Jonathan T. Pike

Its: Chair

Date: 3/15/17



ATTEST:

Christina Fernandez
Signature

By: Christina Fernandez

Title: Secretary

Date: March 15, 2017

APPROVED AS TO FORM AND LEGALITY:

Shawn M. Guzman
Signature

By: SHAWN M. GUZMAN

Its: CITY ATTORNEY

Date: 3/15/17

STATE OF UTAH)

COUNTY OF WASHINGTON)

Subscribed and acknowledged before me on this 15th day of March 2017

Jonathan T. Pike

[Signature]



SG BOULEVARD LAND, LLC, (DEVELOPER)

[Signature]
Signature

By: Cameron Gauder

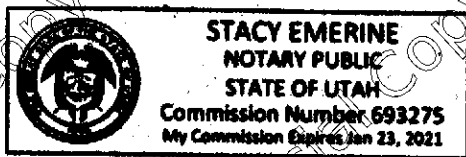
Its: MANAGER

Date: 3/15/17

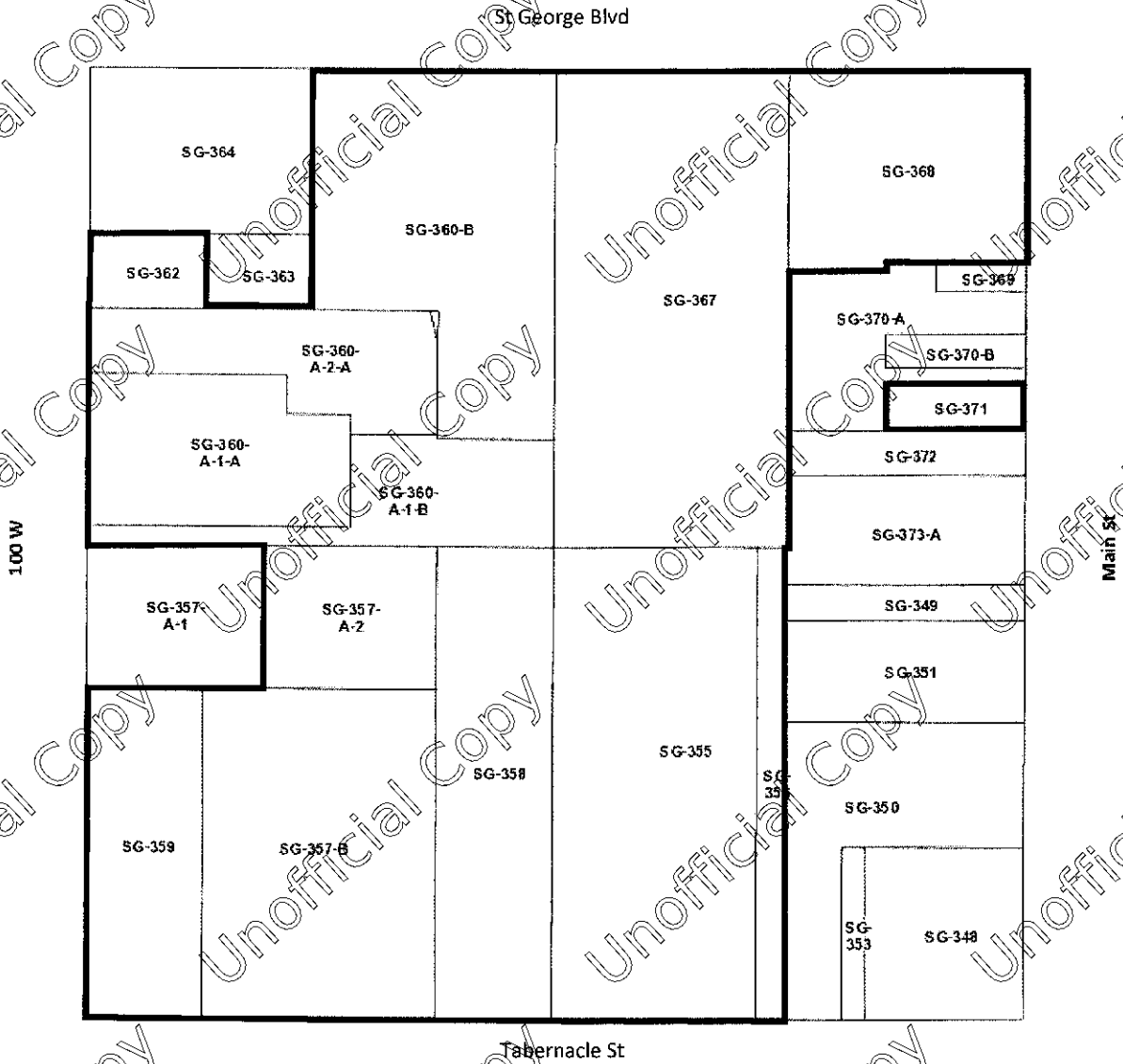
State of Utah)
) :ss.
County of Utah)

The foregoing instrument was acknowledged before me this 14 day of March, 2017, for and on behalf of SG BOULEVARD LAND, LLC by Cameron Gauder, its Manager, who duly acknowledged to me that having received proper authorization to do so, he signed this instrument for and in behalf of the limited liability company, and that the execution of the instrument is the act of the limited liability company for the purposes stated in it.

[Signature]
Notary Public



**ATTACHMENT 1
SITE MAP**



**ATTACHMENT 2
LEGAL DESCRIPTION OF THE SITE**

PARCELS OWNED BY THE CITY OF ST. GEORGE TO BE TRANSFERRED TO OWNER

SG-360-A-1-A ST GEORGE CITY SUR PLAT A BLK 25 (SG) Lot: 5 BEG 10.5 FT N SW COR LOT 5 BLK 25 PLAT A SGCS, TH N 85 FT; TH E 112.5 FT; TH S 22 FT; TH E 36.5 FT; TH S 63 FT; TH W 149 FT TO BEG. R/W TO BE USED JOINTLY.

SG-360-A-1-B ST GEORGE CITY SUR PLAT A BLK 25 (SG) Lot: 6 BEG AT SE COR LOT 6 BLK 25 PLAT A SGCS, TH W 264 FT; TH N 10.5 FT; TH E 149 FT; TH N 52 FT; TH E 49 FT; TH S 2.5 FT; TH E 66 FT; TH S 60 FT TO BEG. SUBJ TO R/W TO BE USED JOINTLY. ALSO: BEG AT A PT N 132 FT & E 66 FT FM SW COR LOT 6, BLK 25 PLAT A SGCS, TH W 7.5 FT; TH SELY APPRX 20 FT TO PT 19 FT S OF POB TH N 19 FT TO POB.

SG-360-A-2-A ST GEORGE CITY SUR PLAT A BLK 25 (SG) Lot: 5 BEG AT PT S 132 FT & E 86.5 FT FM NW COR BLK 25 PLAT A SGCS TH E 104 FT; TH SELY 32 FT M/L TO PT 116 FT E & 162 FT S OF POB; TH S 39.5 FT; TH W 53.5 FT; TH N 11 FT; TH W 36.5 FT; TH N 22 FT; TH W 26 FT; TH N 36.5 FT TO BEG. ALSO: BEG 8 RDS S OF NW COR LOT 5 BLK 25 PLAT A SGCS TH E 86 1/2 FT; TH S 36 1/2 FT; TH W 86 1/2 FT; TH N 36 1/2 FT TO POB.

SG-360-B ST GEORGE CITY SUR PLAT A BLK 25 (SG) Lot: 5 BEG AT PT E 264 FT & N 60 FT FM SW COR LOT 5 BLK 25 PLAT A SGCS TH W 66 FT; TH N 72 FT; TH E 66 FT; TH S 72 FT TO POB. ALSO: BEG NW COR LOT 6 BLK 25 PLAT A SGCS TH E 4 RDS; TH S 8 RDS; TH W 4 RDS; TH N 8 RDS TO POB. ALSO: BEG NE COR LOT 6 BLK 25 PLAT A SGCS TH W 4 RDS; TH S 8 RDS; TH E 4 RDS; TH N 8 RDS TO POB.

SG-362 ST GEORGE CITY SUR PLAT A BLK 25 (SG) Lot: 5 BEG AT PT S 90 FT FM NW COR LOT 5 BLK 25 PLAT A SGCS TH E 66 FT; TH S 42 FT; TH W 66 FT; TH N 42 FT TO POB.

SG-367 ST GEORGE CITY SUR PLAT A BLK 25 (SG) Lot: 7

SG-368 ST GEORGE CITY SUR PLAT A BLK 25 (SG) Lot: 8 BEG AT NE COR OF LOT 8 BLK 25 PLAT A SGCS, TH W 132 FT; TH S 108.9 FT; TH E 52.47 FT; TH N 4.98 FT; TH E 79.53 FT TO E LN OF SD LOT; TH N 103.92 FT TO POB.

PARCEL OWNED BY THE CITY OF ST GEORGE TO BE RETAINED BY THE CITY

SG-356 ST GEORGE CITY SUR PLAT A BLK 25 (SG) Lot: 2 BEG SE COR LOT 2 BLK 25 PLAT A SGCS TH W 1 RD; TH N 16 RDS; TH E 1 RD; TH S 16 RDS TO POB.

PARCEL OWNED BY NEIGHBORHOOD REDEVELOPMENT AGENCY OF THE CITY OF ST. GEORGE TO BE RETAINED BY THE AGENCY

SG-371 ST GEORGE CITY SUR PLAT A BLK 25 (SG) Lot: 8 BEG N 66 1/3 FT SE COR LOT 8 BLK 25 PLAT A SGCS TH W 80 FT; TH N 25 FT; TH E 80 FT; TH S 25 FT TO POB.

PARCEL OWNED BY LAURA L BOWLER LTD

SG-355 ST GEORGE CITY SUR PLAT A BLK 25 (SG) Lot: 2 BEG AT PT 1 RD W OF SE COR LOT 2 BLK 25 PLAT A SGCS TH W 7 RDS; TH N 16 RDS; TH E 7 RDS; TH S 16 RDS TO POB.

PARCELS OWNED BY GREEN GATE VILLAGE INVESTORS, LLP

SG-357-A-2 ST GEORGE CITY SUR PLAT A BLK 25 (SG) Lot: 3 AND Lot: 4 N 80 FT W1/2 LOT 3 & E 33 FT N 80 FT LOT 4 BLK 25 PLAT A SGCS

SG-357-B ST GEORGE CITY SUR PLAT A BLK 25 (SG) Lot: 3, Subdivision: ST GEORGE CITY SUR PLAT A BLK 25 (SG) Lot: 4 S 184 FT OF W1/2 LOT 3 & S 184 FT OF E1/2 LOT 4 BLK 25 PLAT A SGCS

SG-358 ST GEORGE CITY SUR PLAT A BLK 25 (SG) Lot: 3 E1/2 LOT 3 BLK 25 PLAT A SGCS.

SG-359 ST GEORGE CITY SUR PLAT A BLK 25 (SG) Lot: 4 S 184 FT OF W1/2 LOT 4 BLK 25 PLAT A SGCS

**ATTACHMENT 3
SCOPE OF DEVELOPMENT**

The site shall be designed and developed as a Class A mixed-use development, which will conform to Historic District requirements and have architectural excellence and in its design, landscape and development.

I. RENOVATION OF GREEN GATE VILLAGE (Parcels SG-357-A-2, SG-357-B, SG-358, and SG-359)

An affiliate of Developer acquired the property in late 2015 and will renovate and repurpose it from a bed and breakfast to boutique retail, office, and restaurant space. The Judd Store will continue to operate as it has previously, with the other buildings becoming available for commercial lease during the first half of 2016.

II. DEVELOPMENT OF PHASE 1: (All Parcels except Green Gate Village)

Subject to all the terms and conditions of this Agreement, the Developer shall cause to be designed, and following the Agency's approval of the design, the Developer shall cause to be constructed (all quantities are approximations based on conceptual site plan) 1) 223 basement level structured parking stalls, 2) a four-story mixed-use building with 7,260 square feet of commercial space on the ground level fronting St. George Boulevard and 70 multifamily residential units behind and above, 3) a three-story mixed-use building with 1,640 square feet of commercial space on the ground floor fronting Tabernacle Street and 40 multifamily residential units behind and above, 4) a landscaped mid-block pedestrian plaza with a water feature, and 5) 38 surface parking stalls. The Developer shall take care to design a building that blends with the adjacent historic properties with regard to massing, proximity to the sidewalk, window and door proportions and placement, exterior materials, and other considerations.

III. DEVELOPMENT OF PHASE 2: (Parcels SG-367 and SG-368)

Subject to all the terms and conditions of this Agreement, the Developer shall cause to be designed, and following the Agency's approval of the design the Developer shall cause to be constructed a four-story boutique hotel offering approximately 60 guestrooms. The Developer shall take care to design a building that blends with the adjacent historic properties with regard to massing, proximity to the sidewalk, window and door proportions and placement, exterior materials, and other considerations.

IV. ARCHITECTURE AND DESIGN

The new buildings shall be of high architectural quality. Street-level zones shall be distinctive from upper levels in terms of materials and styling, with scaling and detailing oriented to enhancing the pedestrian experience. The plans and proposals submitted for approvals for both new construction and redevelopment of existing buildings shall describe in detail the architectural character intended for the Site.

V. LANDSCAPING, HARDSCAPING

Site design shall give careful attention to the mid-block pedestrian corridor and the layout of space around and between buildings and to landscape and hardscape elements, including paving, trees, shrubs, and other plant materials, landscape containers, top soil, soil

preparation, automatic irrigation, street furniture, and landscape and pedestrian lighting, so as to enhance pedestrian activity in and around the Site.

VI. SIGNS

All signs must conform to St. George City requirements. Signage may be placed as appropriate for announcing the construction of the buildings and for leasing and sales of space in the buildings. Construction-phase signage which identifies Project participants shall acknowledge the Redevelopment Agency of St. George City participation in the same manner as other participants are acknowledged. All permanent signage is of particular interest to the Agency and is subject to approval by the Agency regarding number, size, location, color, and illumination, which approval shall not be unreasonably withheld. Developer shall post such informational and directional signs for public parking as may be requested by Agency.

VII. CONTROLS AND RESTRICTIONS – MISCELLANEOUS

Controls and restrictions consistent with this Agreement, including but not limited to maximum height of buildings, stepping back of upper floors of buildings, illumination of building exteriors, parking dimensions, undergrounding of utility lines, and placement of trash compactors and utility boxes and vaults shall be mutually agreed upon in writing by the Agency and the Developer prior to the commencement of construction.

VIII. CONSTRUCTION BIDDING

Notwithstanding Agency participation in the Project, the Developer shall not be required to publicly request bids for the construction of the improvements unless required by law or regulation. The Agency will make every reasonable effort to ensure that public bidding is not required.

IX. RELOCATION OF ST. GEORGE CITY RIGHTS-OF-WAY

If the Agency and Developer mutually determine that it is in the best interest of Project design quality to relocate or modify the dimensions of St. George City rights-of-way on the interior of the block, the Agency and the Developer shall work together to pursue with St. George City the desired relocations/modifications.

XI. DEMOLITION

The Developer shall demolish, remove, and properly dispose of all improvements (including foundations) not to be retained on the Site, whether above or below ground, at Developer's cost, after obtaining required authorizations and permits.

**ATTACHMENT 4
 METHOD OF FINANCING**

The Developer proposes to develop three new buildings and associated parking and amenities pursuant to the Joint Development Agreement, which Agreement includes this Attachment and its other Attachments. The methods of financing the Project are set forth below:

1. FINANCING OF SITE ACQUISITION, CONSTRUCTION, AND OTHER DEVELOPMENT COSTS

a. Private Financing

Except as set forth below, Developer, at Developer's own expense, shall obtain from private sources all necessary site acquisition and construction financing, and eventually at the option of the Developer, permanent financing, sufficient to undertake all phases and aspects of the Project. The Developer intends to obtain a construction loan in the amount feasible to complete the proposed scope of the Project, from a lender acceptable to the Agency.

b. Agency Property Contribution

In conformance with the Schedule of Performance (Attachment No. 5), the Agency shall transfer to Developer by special warranty deed the properties owned by the City (Attachment 2) which will be part of the project. If Developer is unable to commence construction on any phase of the project according to the Schedule of Performance (Attachment No. 5) and Agency and Developer are unable to come to an agreement to extend the schedule, Developer shall transfer back to the Agency by special warranty deed the parcel(s) which have not been developed in conformance with the Joint Development Agreement.

e. Relocation

The funds, if any, necessary to relocate the existing businesses on the Site pursuant to any applicable Federal or State relocation requirement shall be provided by the Developer

2. DEVELOPER'S STATEMENT OF ESTIMATED PROJECT SOURCES AND USES OF FUNDS*

New Loan	\$	20,643,328
Equity	\$	11,115,638
Total		

Hard Costs - Multifamily	\$	13,321,121
Hard Costs - Commercial	\$	1,070,332
Hard Costs - Hotel	\$	11,097,618
Soft Costs	\$	5,594,895
Land	\$	675,000.00
Total		

**Excluding Green Gate Village*

3. DEVELOPER'S FIVE-YEAR PROFORMA SHOWING ESTIMATED OPERATING COSTS AND REVENUES (see attached pages)

Apartments/Retail
5 Year Income Statement

	Stabilization					
	1	2	3	4	5	6
Vacancy	5%					
Retail Vacancy	7%					
Expense Ratio	30.7%					
Annual Rent Increase	2.0%					
Rentable Square Footage	88,500					
Depreciation (years) (rp)	27.5					
Depreciation (years) (pp)	7					
Total Potential Revenue						
Gross Apartment Rent	1,247,400	1,247,400	1,272,348	1,297,795	1,323,751	1,350,226
Gross Retail Rent	229,839	229,839	234,435	239,124	243,908	248,785
Other Apartment Income						
Triple Play	118,800	118,800	118,800	118,800	118,800	118,800
Garage Income (Storage)	66,000	66,000	66,000	66,000	66,000	66,000
Laundry Income	9,600	9,600	9,600	9,600	9,600	9,600
Utility Income (RUBS)	52,800	52,800	52,800	52,800	52,800	52,800
Lease (Late, App. Buyouts)	50,460	50,460	50,460	50,460	50,460	50,460
Other Income Sources	7,200	7,200	7,200	7,200	7,200	7,200
Parking Structure Income (Other Sources)	25,200	25,200	25,200	25,200	25,200	25,200
Other Apartment Income Total	330,060	330,060	330,060	330,060	330,060	330,060
Other Retail Income						
Reimbursements (NNN Charges)	100,354	100,354	102,361	104,408	106,496	108,626
Miscellaneous	0	0	0	0	0	0
CAM Administration Fee / Mngmt Fee	3,011	3,011	3,071	3,132	3,195	3,259
Parking	55,580	55,580	56,692	57,826	58,982	60,162
Retail Other Income Total	158,945	158,945	162,123	165,366	168,673	172,047
Apartment Vacancy	(742,721)	(78,873)	(80,120)	(81,393)	(82,691)	(84,014)
Retail Vacancy	(162,803)	(27,215)	(27,759)	(28,314)	(28,881)	(29,458)
Other Rent Loss	0	0	0	0	0	0
Effective Gross Income	1,860,719	1,860,155	1,891,087	1,922,638	1,954,819	1,987,645
EXPENSES						
Payroll	74,250	74,250	75,735	77,250	78,795	80,371
Marketing	8,250	8,250	8,415	8,583	8,755	8,930
Landscaping	8,250	8,250	8,415	8,583	8,755	8,930
Turnover Costs	8,731	16,500	16,830	17,167	17,510	17,860
Fire Safety	6,050	6,050	6,171	6,294	6,420	6,549
General Repairs	6,985	13,200	13,464	13,733	14,008	14,288
HVAC	2,970	2,970	3,029	3,090	3,152	3,215
Janitorial	2,328	4,400	4,488	4,578	4,669	4,763
Security Expense	1,100	1,100	1,122	1,144	1,167	1,191
Utilities	99,000	99,000	100,980	103,000	105,060	107,161
Management Fees	23,790	44,958	45,857	46,774	47,709	48,664
General & Administration	7,276	13,750	14,025	14,306	14,592	14,883
Insurance	19,250	19,250	19,635	20,028	20,428	20,837
Taxes	88,000	88,000	89,760	91,555	93,386	95,254
Reserves	22,000	22,000	22,440	22,889	23,347	23,814
Retail Expenses						
NNN Charges	100,354	100,354	102,361	104,408	106,496	108,626
Reserve	4,597	4,597	4,689	4,782	4,878	4,976
Management Fee	4,876	7,481	7,631	7,783	7,939	8,098
Parking Lease	36,000	36,000	36,720	37,454	38,203	38,968
Total Expenses	\$ 5,185	523,857	570,359	581,766	593,402	605,270
Net Operating Income	1,34	536,863	1,289,796	1,309,321	1,349,550	1,370,270
Debt Service - Permanent		964,578	964,578	964,578	964,578	964,578
Interest - Debt Service	342,170	743,663	732,360	720,480	707,991	694,864
Principal - Debt Service	0	220,915	232,218	244,098	256,587	269,714
Cash Flow Before Taxes	194,693	325,218	344,743	364,658	384,972	405,692

Proposed Downtown Boutique Hotel

St. George, UT

Forecast of Revenues and Expenses

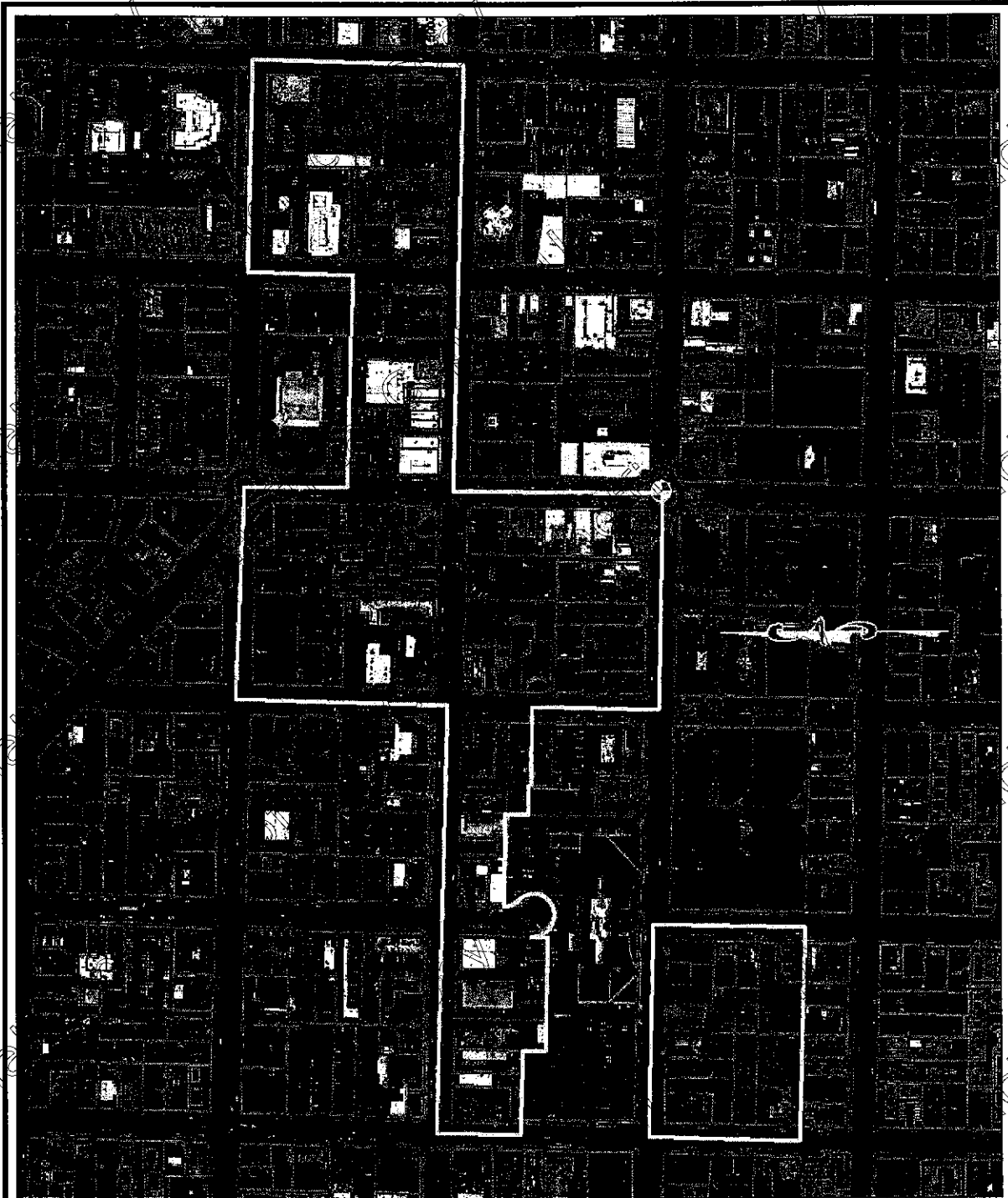
	Year 1	Year 2	Year 3	Year 4	Year 5
Occupancy	64.09%	65.00%	66.00%	68.00%	68.00%
Average Daily Rate	\$162.50	\$167.38	\$172.40	\$177.57	\$182.90
RevPAR	\$104.15	\$108.79	\$113.78	\$120.75	\$124.37
Occupied Rooms	14,738	14,947	15,177	15,637	15,637
Revenues					
Rooms	\$ 2,456,780 72.3%	\$ 2,566,325 72.4%	\$ 2,683,981 72.4%	\$ 2,848,274 72.5%	\$ 2,933,722 72.5%
Food & Beverage	729,531 21.5%	762,060 21.5%	796,998 21.5%	845,783 21.5%	871,157 21.5%
Parking	94,323 2.8%	95,659 2.7%	97,131 2.8%	100,074 2.5%	108,074 2.5%
Rentals & Other Income	116,765 3.4%	121,930 3.4%	127,320 3.4%	135,325 3.4%	143,385 3.4%
Total Revenues	3,397,399 100.0%	3,545,974 100.0%	3,705,430 100.0%	3,929,457 100.0%	4,084,388 100.0%
Departmental Expenses					
Rooms Expense	\$ 487,981 14.4%	\$ 512,378 14.4%	\$ 533,519 14.4%	\$ 561,409 14.3%	\$ 578,251 14.3%
Food & Beverage	594,048 17.5%	620,536 17.5%	648,985 17.5%	688,710 17.5%	709,372 17.5%
Parking	14,148 0.4%	14,349 0.4%	14,570 0.4%	15,011 0.4%	15,011 0.4%
Rental and Other	104,548.33 3.1%	108,900.21 3.1%	113,546.25 3.1%	119,793.44 3.0%	123,387.24 3.1%
Total Dept. Expenses	1,200,726 35.3%	1,256,163 35.6%	1,310,619 35.4%	1,384,924 35.2%	1,426,021 35.3%
Gross Operating Income	\$ 2,196,633 64.7%	\$ 2,289,810 64.6%	\$ 2,395,010 64.6%	\$ 2,544,533 64.8%	\$ 2,618,317 64.7%
Other Direct Expenses					
Admin & General	\$ 279,817 8.2%	\$ 290,789 8.2%	\$ 302,368 8.2%	\$ 316,115 8.0%	\$ 327,012 8.1%
Sales & Marketing	137,568 4.0%	143,374 4.0%	148,692 4.0%	155,247 4.0%	159,904 4.0%
Repairs & Maintenance	108,069 3.2%	111,311 3.1%	114,650 3.1%	118,090 3.0%	121,633 3.0%
Utilities	58,952 1.7%	61,581 1.7%	64,404 1.7%	68,346 1.7%	70,397 1.7%
Franchise Fee	122,839 3.6%	128,316 3.6%	134,199 3.6%	142,414 3.6%	146,686 3.6%
Management Fee	101,921 3.0%	106,379 3.0%	111,169 3.0%	117,884 3.0%	121,330 3.0%
Total Other Direct Expense	809,188 23.8%	841,750 23.7%	875,481 23.6%	918,095 23.4%	946,961 23.4%
Gross Operating Profit	\$ 1,387,468 40.8%	\$ 1,448,062 40.8%	\$ 1,519,529 41.0%	\$ 1,626,437 41.4%	\$ 1,671,356 41.3%
Fixed Charges					
Property Taxes	\$ 73,000 2.1%	\$ 75,190 2.1%	\$ 77,446 2.1%	\$ 79,769 2.0%	\$ 82,162 2.0%
Property Insurance	14,000 0.4%	14,420 0.4%	14,853 0.4%	15,298 0.4%	15,757 0.4%
Reserve for Replacement	101,921 3.0%	106,379 3.0%	111,169 3.0%	117,884 3.0%	121,330 3.0%
Total Fixed Charges	188,921 5.6%	195,989 5.5%	203,467 5.5%	212,951 5.4%	219,249 5.4%
Net Operating Income	\$ 1,198,548 35.3%	\$ 1,252,073 35.3%	\$ 1,316,062 35.5%	\$ 1,413,487 36.0%	\$ 1,452,106 35.5%

* The above figures represent operational years not calendar

**ATTACHMENT 5
SCHEDULE OF PERFORMANCE**

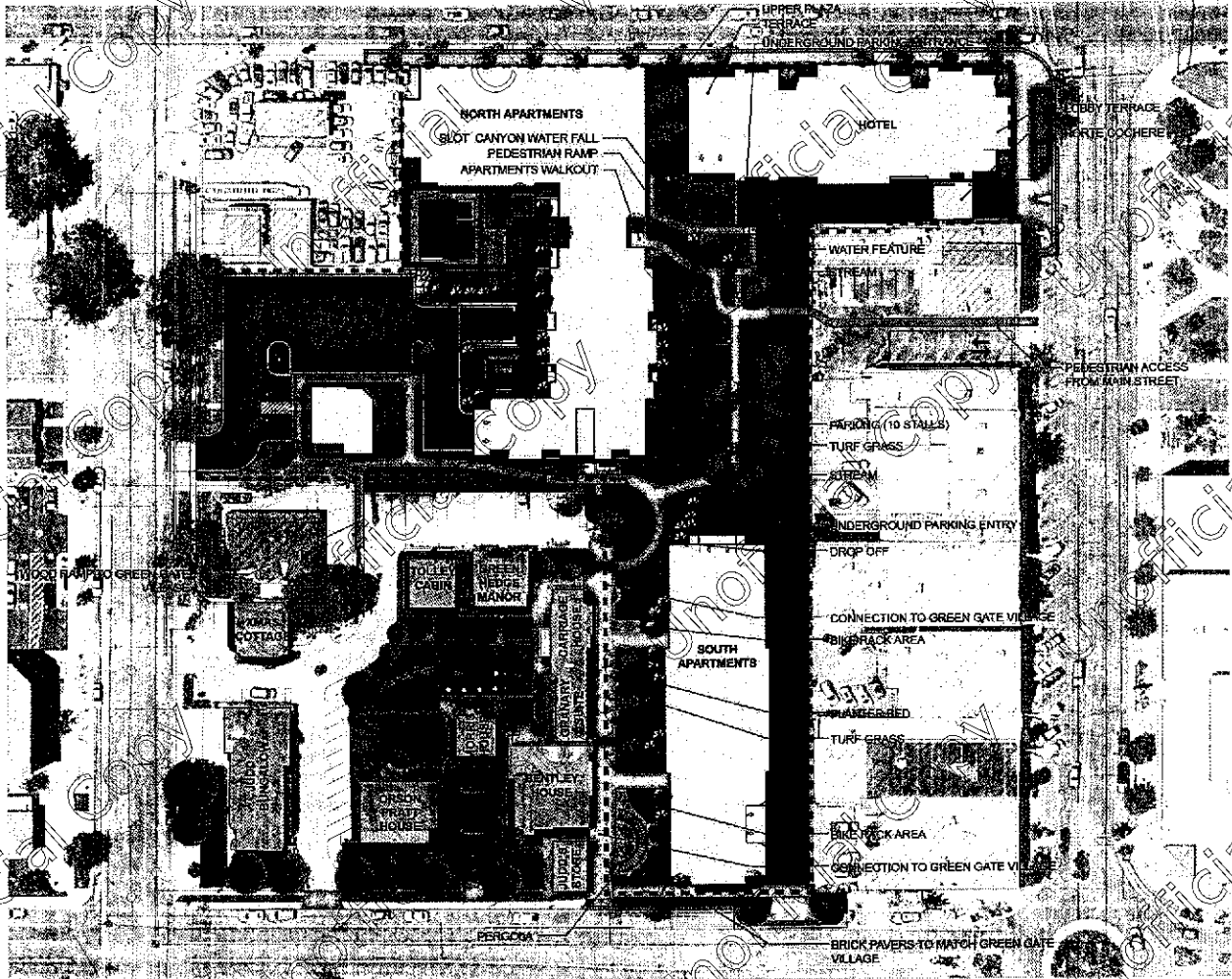
1. 03/03/16 CDA Draft Plan public hearing
2. 05/16/16 Preliminary Historic Preservation Commission review
3. 06/29/16 Final Historic Preservation Commission review
4. 03/14/17 Joint Development Agreement executed
5. 08/09/16 Preliminary plat, site plan and conditional use permit applications to city
6. 09/22/16 Final site plan and conditional use permit approvals from city
7. 06/22/17 Final plat approval from city
8. 06/01/17 Submit Phase 1 (parking and multifamily/commercial) drawings for building permit review
9. 06/01/17 Close financing and commence construction of Phase 1
10. 12/01/17 Commence construction of Phase 2 (boutique hotel)
10. 10/01/18 Construction of Phase 1 complete, property operational
11. 12/01/18 Construction of Phase 2 complete, hotel operational

**ATTACHMENT 6
PROJECT AREA PLAN**



SHEET 1-1	DATE Dec. 1, 2015	CITY OF ST. GEORGE 175 EAST 200 NORTH ST. GEORGE, UT 84770 (435) 627-4000 - www.sgcity.org	CDA Downtown	
	APP			
	SCALE NONE			
	DRAWN			

**ATTACHMENT 7
OVERALL DEVELOPMENT SITE PLAN**



**ATTACHMENT 8
 TAX INCREMENT CALCULATIONS**

Table 1: Development Assessed Values

Development	Assessed Value
Residential	\$7,140,058
Commercial	\$3,367,558
Hotel	\$4,364,604
Total Assessed Value	\$14,872,220

Table 2: Tax Increment Generation

Year	Total Value	Tax Rate	Tax Increment	Percentage	Total Value
Year 1	\$14,872,220	0.011140	\$165,677	75%	\$124,257
Year 2	\$14,872,220	0.011140	\$165,677	75%	\$124,257
Year 3	\$14,872,220	0.011140	\$165,677	75%	\$124,257
Year 4	\$14,872,220	0.011140	\$165,677	75%	\$124,257
Year 5	\$14,872,220	0.011140	\$165,677	75%	\$124,257
Year 6	\$14,872,220	0.011140	\$165,677	75%	\$124,257
Year 7	\$14,872,220	0.011140	\$165,677	75%	\$124,257
Year 8	\$14,872,220	0.011140	\$165,677	75%	\$124,257
Year 9	\$14,872,220	0.011140	\$165,677	75%	\$124,257
Year 10	\$14,872,220	0.011140	\$165,677	75%	\$124,257
Year 11	\$14,872,220	0.011140	\$165,677	75%	\$124,257
Year 12	\$14,872,220	0.011140	\$165,677	75%	\$124,257
Year 13	\$14,872,220	0.011140	\$165,677	75%	\$124,257
Year 14	\$14,872,220	0.011140	\$165,677	75%	\$124,257
Year 15	\$14,872,220	0.011140	\$165,677	75%	\$124,257
Total Tax Increment Generation					\$1,863,855