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City of Greenleaf
20523 N. Whittier Dr.
Greenleaf, Idaho 83626

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City of Greenleaf, Idaho

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THIRD AMENDMENT TO DEVELOPMENT AGREEMENT

THIS THIRD AMENDMENT TO DEVELOPMENT AGREEMENT (this “**Third Amendment**”) is made and entered into this ____ of _____, 2025 (the “**Effective Date**”), by and between the City of Greenleaf, a political subdivision of the State of Idaho (“**City**”) and GLAR Industries, Inc., a Nevada corporation (“**Developer**”).

RECITALS

A. In 2007, the Developer applied for and received approval for the preliminary plat, planned unit development (“**PUD**”) and request for variance commonly known as Greenleaf Air Ranch Subdivision (the “**Development**”), consisting of approximately 105 acres legally described in **Exhibit A** attached in the Development Agreements described in Recital B herein (the “**Property**”) (the PUD and variance approvals are referred to herein as the “**2007 Approvals**”).

B. In connection with the 2007 Approvals, the parties entered into that certain Development Agreement, recorded on August 24, 2007 in the official records of Canyon County, Idaho as Instrument No. 2007058621 (the “**2007 Agreement**”). The parties amended the 2007 Agreement by way of that certain Development Agreement, recorded on July 7, 2008, in the official records of Canyon County, Idaho as Instrument No. 2008036695 (the “**2008 Agreement**”), by way of that certain First Amendment to the Development Agreement recorded on October 5, 2018, in the official records of Canyon County, Idaho, as Instrument No. 2018044871 (the “**First Amendment**”), and by way of that certain Second Amendment to the Development Agreement recorded on _____, in the official records of Canyon County, Idaho as Instrument No. _____ (the “**Second Amendment**”). The 2007 Agreement, the 2008 Agreement, the First Amendment, and the Second Amendment are collectively referred to herein as the “**Agreement**.”

C. Per the Second Amendment, the Development Agreement was set to expire November 18, 2025. The parties desire to extend the Development Agreement to allow completion of this unique residential airpark community.

NOW THEREFORE, the parties, in consideration of the promises contained herein agree as follows:

Section 1: Extension of Agreement. By approval at a duly noticed meeting of the Greenleaf City Council held on _____, 2025, and in accordance with Greenleaf City Code §§ 9-9-01 and 9-10-7, and Idaho Code §§ 67-6509 and 67-6511A, the Greenleaf City Council approved an extension of the Agreement. In accordance therewith, the Agreement is extended for

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an additional five (5) years from the Effective Date. The Agreement may be extended an additional five (5) years upon showing of progress toward completion of the Development.

Section 2: Periodic Reporting. Upon written request of the zoning official, the Developer shall within sixty (60) days provide an update as to the progress of the Development. Said report may be provided in writing or in connection with a work session before the City Council held for the purpose. Except in the event of an alleged material default of the Agreement, periodic reports may be requested no more often than every other calendar year.

Section 2: Mitigation Fund Contribution. While House Bill 389, passed in 2021, brought about certain limitations to local government entities' budgets, the Property has been previously annexed into the City, the developer has made significant investments in infrastructure, has approved construction drawings for the next two phases and, due to the specialty nature of the subdivision, results in sales at a relatively slower pace than traditional residential development. Nevertheless, the Developer wishes to make a voluntary contribution to the City in order to offset potential amounts that the City may not realize due to H.B. 389. Accordingly, the parties agree, as follows:

a. The then-owner of each lot within the Development shall pay a fee in the amount of ~~One~~ Two Thousand Five Hundred Dollars (\$~~1~~2,500.00) (the "**Mitigation Fund Contribution**") at building permit for the initial construction of vertical improvements on such lot. The Mitigation Fund Contribution is a one-time fee per lot, whether residential or commercial, and is a requirement prior to issuance of a building permit.

b. The Mitigation Fund Contribution shall be indexed to any increase in City's property tax levy year-to-year. For illustrative purposes only, in the event City's property tax levy increases by 5%, the Mitigation Fund Contribution charged during such fiscal year shall also increase 5% as compared to the prior fiscal year.

c. For avoidance of doubt, the Mitigation Fund Contribution: (i) is in addition to and not in lieu of any applicable hookup fee or impact fee that is otherwise required to be paid in connection with development of the Property, and (ii) applies to all future phases (i.e., does not apply to existing platted lots).

d. The obligation to provide the Mitigation Fund Contribution shall be contained in the covenants, conditions and restrictions for the Development, which shall permit City to withhold a building permit for the relevant lot until the Mitigation Fund Contribution has been made.

e. In the event that the Idaho Legislature alters Idaho Code pertaining to the topics contained in H.B. 389 such that the 8% cap is removed or modified, City shall negotiate in good faith to appropriately adjust or eliminate the mitigation requirements proportionately to the relief supplied by legislative modification.

Section 3: Full Force and Effect - Except as expressly amended herein, the Agreement shall remain in full force and effect in accordance with its terms and provisions. This Third Amendment shall constitute covenants running with the lands described in said Agreement, and

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shall be binding on the parties hereto and on their respective heirs, successors, and assigns. This Third Amendment may be executed in one or more counterparts, each of which shall be valid and binding on the party executing them, and all counterparts, shall together constitute one and the same document for all purposes. If any provision of the Third Amendment is determined by a court of competent jurisdiction to be invalid or otherwise unenforceable, all remaining provisions of this Third Amendment and the Agreement shall remain in full force and effect.

[end of text; signatures appear on the next page]

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IN WITNESS WHEREOF, the parties hereto have hereunto entered this Third Amendment effective as of the day and year first above written.

CITY OF GREENLEAF, a municipal corporation	Date: _____ By: _____ Bradley Holton, Mayor Attest: By: _____ Lee C. Belt City Clerk
GLAR INDUSTRIES, INC., a Nevada corporation	Date: _____ By: _____ Ed Priddy, President

[notary acknowledgments on following page]

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ACKNOWLEDGMENTS

STATE OF IDAHO)
) ss.
County of Canyon)

On this _____ day of _____, 2025, before me, a notary public, personally appeared Bradley Holton, Mayor of the City of Greenleaf, known or identified to me to be the person whose name is subscribed hereto and acknowledged that he executed the same on behalf of said city.

IN WITNESS WHEREOF, I have set my hand and affixed my official seal of the day and year first above written.

Notary Public for Idaho
Residing at: _____
My Commission Expires: _____

STATE OF IDAHO)
) ss.
County of Canyon)

On this _____ day of _____, 2025, before me, a notary public, personally appeared Ed Priddy, President of GLAR Industries, Inc., known or identified to me to be the person whose name is subscribed hereto and acknowledged that he executed the same on behalf of said corporation.

IN WITNESS WHEREOF, I have set my hand and affixed my official seal of the day and year first above written.

Notary Public for Idaho
Residing at: _____
My Commission Expires: _____