MONTROSE URBAN RENEWAL AUTHORITY (MURA)
BOARD of COMMISSIONERS MEETING
Wednesday, October 20, 2021 2:00 PM
City of Montrose Centennial Meeting Room
433 S 1st St. Montrose, CO

AGENDA

1) **CALL TO ORDER**
- Board Chair Tad Rowan

2) **THE PLEDGE OF ALLEGIANCE**

3) **ROLL CALL**
- City Clerk Lisa DelPiccolo

4) **CALL FOR PUBLIC COMMENT**

The "Call for Public Comment" agenda item is a time when concerned members of the community may publicly voice their concerns and discuss items of interest. Please note that no formal action will be taken on the matters raised during this time.

Individuals wishing to speak will be recognized by the Chair and asked to state their name and address. Each speaker will be allowed three minutes to speak. Comments made during this time should be addressed to the MURA Board of Commissioners and pertain to matters of at least general importance to the Montrose Urban Renewal Authority and its operations.

Please be aware that neither the MURA Board nor staff are expected to respond or engage in discussion or debate. Personal attacks and disagreements, personnel and employment matters, the use of profanity or ethnic, racial or gender-oriented slurs are prohibited, as is any "disorderly conduct" which violates state or local law and shall not be permitted.

5) **CONSIDERATION OF MINUTES**
- City Clerk Lisa DelPiccolo

6) **FLEX BUILDING PROJECT DISCUSSION**

A) **Consideration of Development Agreement** - Document Amended (8-21)
- Executive Director William Bell

Action: Consideration of an agreement with Colorado Outdoors for development of the Flex Building project at Colorado Outdoors.

B) **Consideration of a Tax Increment Financing Promissory Note** - Document Amended (22-23)
- Executive Director William Bell

Action: Consideration of a Tax Increment Financing Anticipatory Loan in the amount of $1,100,000.00 for construction of horizontal site improvements associated with the Flex

Building project at Colorado Outdoors.

7) **SCHEDULE FUTURE MEETINGS**

8) **ADJOURNMENT**

Zoom Meeting Information

Public participation for this meeting will also be available virtually via Zoom:
https://us02web.zoom.us/webinar/register/WN_5SajqJrxRnmn0AgYwG3dig.

Join by Phone:
(669) 900 9128
(253) 215 8782
(346) 248 7799
(646) 558 8656
(301) 715 8592
(312) 626 6799

Webinar ID: 834 9075 4411
International numbers available: https://us02web.zoom.us/u/kkaolXgNF

A regular meeting of the Montrose Urban Renewal Authority (MURA) Board of Commissioners was held on Thursday, October 7, 2021 at 3:00 p.m. in the Centennial Meeting Room, located at 433 S. 1st Street. Said meeting was posted in accordance with the Sunshine Law, including a Zoom meeting link and phone numbers for additional virtual public participation.

PRESENT: Tad Rowan, Doug Glaspell, Dave Frank, Barbara Bynum, J. David Reed, Gayle Johnson, Mark Plantz, Executive Director Bill Bell

ABSENT: Anthony Russo, Brad Hughes

GUESTS: City Engineer Scott Murphy, Community Program Manager Kendall Cramer, Business and Tourism Director Lisa Kuczmarski, Deputy City Clerk Mikayla Unruh, Gail Marvel, David Dragoo, Doug Dragoo, Joel Evans, Shani Wittenberg, Mari Steinbach

CALL TO ORDER

The meeting was called to order at 3:01p.m. by Chairman Tad Rowan.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

ROLL CALL

Board members Tad Rowan, Doug Glaspell, Dave Frank, Barbara Bynum, J. David Reed, Gayle Johnson, and Mark Plantz were present. Board members Anthony Russo and Brad Hughes were absent.

CALL FOR PUBLIC COMMENT

No comments were received.

CONSIDERATION OF MINUTES

A motion was made by Barbara Bynum, seconded by Dave Frank, to approve the minutes of the August 18, 2021 meeting as presented. All voted yes. Motion passed.

MURA SUMMARY OF TIF EXPENDITURES TO DATE

City Engineer Scott Murphy presented a summary of the Tax Increment Financing (TIF) expenditures for the MURA since its inception.

Mr. Murphy explained that to date, $11,905,083.00 in promissory notes have been issued. All horizontal site improvement construction within the MURA up to this point has been financed through promissory notes with the City of Montrose. Mr. Murphy explained that the associated expenditures only begin accruing as the construction work is completed.

Mr. Murphy noted that the total anticipated out of pocket cost for the construction of improvements as authorized by the aforementioned promissory notes is $11,526,966.00, revealing an anticipated cost savings of $378,116.00. This savings is largely due to construction cost savings from initial project budgets, internal design and construction oversight from the City Engineering Department, and grants awarded for river improvement work.

The Board inquired about the TIF revenue generated thus far by the MURA. Executive Director William Bell explained that $228,000.00 has been received to date.

The Board asked City staff to provide a monthly update on TIF expenditures at future MURA Board meetings.

FLEX BUILDING PROJECT DISCUSSION

Presentation by David Dragoo of Colorado Outdoors
David Dragoo provided an update regarding the construction of the Flex buildings at Colorado Outdoors. Mr. Dragoo noted that the core/shell construction for both buildings will be substantially completed by November 14, 2021. Colorado Outdoors hopes to complete tenant improvements between the third quarter of 2021 and the first quarter of 2022. Tenant occupancy is anticipated by the end of the first quarter in 2022.

Mr. Dragoo presented the construction costs associated with the Flex Building Project, noting that the anticipated cost for the core/shell construction is $7,715,112.71. The cost of land purchased for the project was $1, 500,000.00. The estimated cost for tenant improvement work has increased from $3,981,943.38 to $5,331,874.00 due to material shortages and current supply chain delays. In all, the anticipated total cost of the Flex Building Project is now $14,546,986.71. Mr. Dragoo also shared that the estimated cost of horizontal site improvements associated with the Flex buildings has increased from $1,100,000.00 in March of 2020 to $1,951,268.00 as of September 2021 due to the same increased cost of materials caused by current shortages.

CONSIDERATION OF RESOLUTION 2021-01

The Board considered Resolution 2021-01, a resolution of the MURA Board of Commissioners approving the filing of a grant application with the Colorado Office of Economic Development and International Trade – Colorado Creative Industries Division (OEDIT-CCI) in order to cover the gap in funding created by supply chain disruptions as a result of the COVID-19 pandemic for tenant site improvements for the Flex Building Project at Colorado Outdoors and directing the Board Chair and City staff to perform all steps necessary to execute the grant agreement with OEDIT-CCI upon a grant award.

Community Program Manager Kendall Cramer explained that the Montrose Urban Renewal Authority's approval of $1,100,000.00 for horizontal site improvements, combined with Colorado Outdoors' private investment of $1,597,296.00 for tenant site improvements will serve as the required 1:1 match for the grant funds sought in the total amount of $2,384,647.38.

Mr. Cramer reported that the Flex Building project meets all the requirements for the Colorado Community Revitalization Grant Program. Applications for the program will be considered on a rolling basis. Mr. Cramer anticipates receiving a decision by December 2021 for the Flex Building Project application.

A motion was made by Dave Frank, seconded by Doug Glaspell, to approve Resolution 2021-01, authorizing the filing of a Colorado Community Revitalization Grant Program application; authorizing the MURA Board Chair and MURA Executive Director to execute an agreement with Colorado Outdoors for the development of horizontal site improvements related to the Flex Building Project at Colorado Outdoors upon a grant award; authorizing the MURA Board Chair and MURA Executive Director to execute a grant contract with the Colorado Office of Economic Development and International Trade; and authorizing City of Montrose staff to act on behalf of the grant award. All voted yes. Motion passed.

DEVELOPMENT AGREEMENT AND PROMISSORY NOTE DISCUSSION

Graham Anderson of Anderson Analytics provided a summary of the projected TIF revenues to be generated by the Flex buildings over the lifetime of the MURA, ending in 2042.

Mr. Anderson explained that the northern building of the Flex project is estimated to generate $1,706,664.00 in property tax revenues, $1,563,881.00 in City sales tax revenues, and $163,842,000.00 in City meals tax revenues by 2042. The southern building of the project is estimated to generate $1,418,334.00 in property tax revenues and $250,763.00 in City sales tax revenues by 2042. The total projected tax increment revenues estimated for both buildings is $5,103,484.00.

Executive Director William Bell led a discussion regarding the possible funding mechanisms for horizontal site improvements associated with the Flex Building Project. Mr. Bell explained that there are several ways the MURA Board can elect to fund the improvements, including developer reimbursement, bonding or traditional bank loans, and the issuance of URA promissory notes with loans from the City's water fund reserves, as has been traditional MURA practice.

The Board discussed the possible funding strategies, noting that the issuance of promissory notes to the City of Montrose is the most efficient way to fund horizontal site improvements in the MURA.

The Board considered the possibility of utilizing the existing $228,000.00 in TIF revenues generated from the URA in conjunction with a promissory note between MURA and the City of

Montrose to cover the remaining $872,000 in anticipated horizontal site improvement costs associated with the project versus the execution of a promissory note between MURA and the City of Montrose for the full $1,100,000.00 requested.

A motion was made by Barbara Bynum, seconded by Doug Glaspell, to authorize City staff to draft a Developer's Agreement between the MURA and Colorado Outdoors, as well as a promissory note between the MURA and the City of Montrose in the amount of $1,100,000.00 related to the construction and installation of horizontal site improvements to support the Flex Building Project. All voted yes. The motion passed.

SCHEDULE FUTURE MEETINGS

The next meeting of the MURA Board of Commissioners will be held on Wednesday, October 20, 2021 at 2:00 p.m. in the Centennial Meeting Room.

ADJOURNMENT

A motion was made by Dave Frank, seconded by Gayle Johnson, to adjourn the meeting at 4:22 p.m. with no further action taken. All voted yes. Motion passed.

ATTEST:

____
Tad Rowan, Chairman

____
William E. Bell, Executive Director

Flex-Buildings

Size/Location: Colorado Outdoors Subdivision, Lots 25 and 26, approximately 4.48 acres in total size.

Project Type: Flexible Use, Multipurpose Buildings offering leased suites for a mixed use of commercial, restaurant, retail and manufacturing businesses.

- *56,760 sq ft of manufacturing/ commercial/retail/restaurant space*
- *20 individual suites with expansion options*
- *3-Phase power and upgraded utilities*
- *Energy efficient design (C-CPACE compliant)*
- *Construction performed by Shaw Construction and use of local subcontractors*

Developers: NMTC at CO QALICB, LLC (David Dragoo)

Financing: Closed in Spring of 2021. Partners included Colorado Outdoors, LLC, Wells Fargo Bank, Colorado Growth and Revitalization Fund, Greenworks Lending, and First Bank & Trust Co. of Ill.

Estimated Cost of Construction for Flex buildings: Approximately $14 million, including land.

Implementation Timeline: Building construction began in February of 2021 and is approximately 85% complete for core/shell work. Core/shell expected to be completed on November 14, 2021. Interior Tenant Finishes to be completed based upon needs of tenants and is expected to take the next 4-6 months, depending on material availability.

Potential MURA/City of Montrose Investment:
Estimated Horizontal Infrastructure/Non-Building Site Improvements approximately $1,100,000 (TIF Anticipatory Borrowing to be repaid to MURA and City through Property Taxes in the estimated amount of $3.1 Million and Sales Taxes in the estimated amount of $1.81 Million to be generated by the project from 2022-2041). The majority of this work is already completed and paid for and assistance will come in the form of a reimbursement.

Project and Company Vision:
The Flex Buildings at Colorado Outdoors are two equally-sized 28,380 square foot (SF) industrial buildings with 10 suites per building. The Flex buildings earn their names by being 'flexible' in use for small businesses and are designed to become a neighborhood commercial center and creative hub at Colorado Outdoors.

As a central location for small businesses, the Flex buildings are designed for users such as "light" manufacturers, new offices, showrooms and expanding service industries for the community. Tenants in the Flex buildings include retail stores, restaurants, day care facilities, warehousing and wholesale distribution, and primary manufacturers in the outdoor industry.

The buildings have close proximity to the Connect Trail, and include ample parking and lighting for 24-hour access. Each building is connected to all main utilities, including fiber optic internet, 3-phase power and gas. The utilities were built to handle heavy industrial loads, with capacity expansion capabilities.

Montrose Urban Renewal Authority
Development Agreement
With
NMTC at CO QALICB, LLC

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1. PARTIES

This Development Agreement (hereinafter called “Agreement”) is entered into by and between the Montrose Urban Renewal Authority (MURA), whose address is 433 S. 1st Street, Montrose, Colorado 81401 (hereinafter called “MURA”), and NMTC at CO QALICB, LLC whose address is 1101 Mayfly Drive, Montrose, CO 81401 (hereinafter called “Grantee”).

2. EFFECTIVE DATE AND NOTICE OF NONLIABILITY

This Agreement shall not be effective or enforceable until it is approved and mutually executed by the MURA Executive Director or designee and Grantee (hereinafter called the "Effective Date"). MURA shall not be liable to pay or reimburse Grantee for any performance hereunder, including, but not limited to costs or expenses incurred, or be bound by any provision hereof, prior to the EffectiveDate, unless expressly provided.

3. RECITALS

A. Authority, Appropriation, and Approval

MURA enters into this agreement under Authority of the Constitution of the State of Colorado as an urban renewal authority.

B. Consideration

The Parties acknowledge that the mutual promises and covenants contained herein and other good and valuable consideration are sufficient and adequate to support this Agreement. Based upon the terms of this agreement MURA will repay the City of Montrose in the form of a promissory note to include all expectations and conditions outlined in this developer's agreement substantially in the form of Exhibit A which is attached hereto and incorporated herein.

C. Purpose

In the interest of expanding existing business opportunities and area employment base, as well as attracting new businesses to expand the local economy, and serving as a specific inducement for NMTC at CO QALICB, LLC to construct two mixed-use "Flex" Buildings within the Montrose Urban Renewal Authority boundary.

D. References

All references in this Grant to sections (whether spelled out or using the § symbol), subsections, exhibits or other attachments, are references to sections, subsections, exhibits or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.

4. DEFINITIONS

The following terms as used herein shall be construed and interpreted as follows:

A. Evaluation

"Evaluation" means the process of examining Grantee's Work and rating is based on criteria established in § 6.

B. Employee

"Employee" or "Full Time Position" (FTP) means a person who works in the service of Grantee or its subsidiaries, under an express or implied contract of hire under which the employer has the right to control the duties of work performance.

C. Goods

"Goods" means tangible material acquired, produced, or delivered by Grantee either separately or in conjunction with the Services Grantee renders hereunder.

D. Grant or Agreement

"Grant" or "Agreement" means this Grant, its terms and conditions, attached exhibits, documents incorporated by reference under the terms of this Grant, and any future modifying agreements, exhibits, attachments or references incorporated herein pursuant to Colorado State law, City of Montrose, Colorado (City) ordinance and City Fiscal Policies.

E. Grant Funds

"Grant Funds" means funds available for distribution by MURA payable by MURA to Grantee or a Sub-Grantee, pursuant to this Grant.

F. Party or Parties

"Party" means MURA or Grantee and "Parties" means both MURA and Grantee.

G. Review

"Review" means examining Grantee's Work to ensure that it is adequate, accurate, correct and in accordance with the criteria established in § 6.

H. Services

"Services" means the required services to be performed by Grantee pursuant to this Grant.

I. Sub-grantee

"Sub-grantee" means third-parties, if any, engaged by Grantee to aid in performance of its obligations.

J. Work or Project

"Work" or "Project" means the tasks and activities Grantee is required to perform to fulfill its obligations under this Agreement, including the performance of the Services.

K. Work Product

"Work Product" means the tangible or intangible results of Grantee's Work, including, but not limited to, software, research, reports, studies, data, photographs, negatives or other finished or unfinished documents, drawings, models, surveys, maps, materials, or work product of any type, including drafts.

5. TERM AND EARLY TERMINATION

A. Initial Term and Work Commencement

The Parties' respective performances under this Agreement shall commence on the Effective Date and this Agreement shall terminate on December 31, 2022 unless sooner terminated or further extended as specified elsewhere herein.

B. Obligations Non Transferrable and Sale of the Company

As stated in 9(A) Grantee's rights and obligations are personal and nontransferable.

6. STATEMENT OF WORK AND UNDERSTANDING OF PERFORMANCE

A. Completion

Grantee shall complete the Work as outlined in section 6(D) below and its other obligations as described herein on or before December 31, 2022. Grantee has obtained a building permit, signifying the beginning of work. MURA shall not be liable to compensate Grantee for any Work performed after the termination of this Grant.

B. Property

The Flex Buildings, made up of mixed-use manufacturing/commercial/retail/service based businesses and adjoining facilities, will be constructed within the Colorado Outdoors subdivision filing Amendment No. 2, Lots 25 and 26, a 4.48 acre total parcel area on the Northwest portion of the development.

C. Horizontal Site Infrastructure Improvements

MURA agrees to provide up to $1,100,000 toward horizontal site improvements to include horizontal site design as well as horizontal site fill, curb, gutter, sidewalks, paving, lighting (parking lot only), drainage, fencing, striping, and landscaping construction. Payment will be made for actual costs of completed improvements, up to $1,100,000 total, based on supporting invoices from contractors performing the work and mutually-agreed-upon unit prices for eligible improvements. Expenses associated with vertical building construction (including utility service lines feeding the building) are not eligible for reimbursement. Eligible expenditures associated with horizontal site improvements that occurred prior to execution of this agreement are eligible for reimbursement under this agreement.

D. In exchange for receiving development assistance as set forth above, Grantee makes the following commitments to the City: Grantee will complete construction or cause to be constructed two 28,380 square foot manufacturing/commercial buildings within the Montrose Urban Renewal Authority boundary, commonly described as Lots 25 and 26 of Colorado Outdoors, and approximately 4.48 acres in total size, with an estimated construction value of approximately $14M, including the cost of land. The construction is anticipated to be completed on or before December 31, 2022.

7. NOTICES AND REPRESENTATIVES

Each individual identified below is the principal representative of the designating Party. All notices required to be given hereunder shall be hand delivered with receipt required or sent by certified or registered mail to such Party's principal representative at the address set forth below. In addition to, but not lieu of a hard-copy notice, notice also may be sent via e-mail to the e-mail addresses, if any, set forth below. Either Party may from time to time designate by written notice substitute addresses or persons to whom such notices shall be sent. Unless otherwise provided herein, all notices shall be effective upon receipt.

A. MURA:

William E. Bell, Executive Director
or Current MURA Executive Director
433 S. 1st Street
Montrose, CO 81401
Ph: 970-240-1400
Email:
wbell@cityofmontrose.org

cc: Stephen P. Alcorn, City Attorney
or Current City Attorney
433 S. 1st Street
Montrose, CO 81401
Ph: 970-240-1440
Email:
salcorn@cityofmontrose.org

B. Grantee:

NMTC at CO QALICB, LLC
Attn: David Dragoo
PO Box 1267
Montrose, CO 81402
Email: david@coloradooutdoors.co

8. GOVERNMENTAL IMMUNITY

Notwithstanding any other provision to the contrary, nothing herein shall constitute a waiver, expressed or implied, of any of the immunities, rights, benefits, protection, or other provisions of the Colorado Governmental Immunity Act, CRS § 24-10-101, et seq., as amended. Liability for claims for injuries to persons or property arising from the negligence of the City of Montrose and/or MURA, its departments, institutions, agencies, boards, officials, and employees is controlled and limited by the provisions of the Governmental Immunity Act and the risk management statutes, CRS § 24-30-1501, et seq., as amended.

9. **GENERAL PROVISIONS**

A. Assignment and Sub-grants

Grantee's rights and obligations hereunder are personal and may not be transferred, assigned or sub-granted without prior, written consent of the MURA. Any attempt at assignment, transfer or sub-granting without such consent shall be void as will be this Incentive Grant Agreement. All assignments, Sub-grants, or Sub-grantees approved by Grantee or MURA are subject to all of the provisions hereof. Grantee shall be solely responsible for all aspects of sub-granting arrangements and performance. Ownership transfers in excess of 20% will require MURA approval in writing. This approval will not be unreasonably withheld.

B. Binding Effect

Except as otherwise provided in § 18(A), all provisions herein contained, including the benefits and burdens, shall extend to and be binding upon the Parties' respective heirs, legal representative, successors, and assigns.

C. Captions

The captions and headings in this Grant are for convenience of reference only, and shall not be used to interpret, define, or limit its provisions.

D. Counterparts

This Grant may be executed in multiple identical original counterparts, all of which shall constitute one agreement.

E. Entire Understanding

This Grant represents the complete integration of all understandings between the Parties and all prior representations and understandings, oral or written, are merged herein. Prior to contemporaneous additions, deletions, or other changes hereto shall not have any force or affect whatsoever, unless embodied herein.

F. Indemnification – General

Grantee shall indemnify, save, and hold harmless MURA, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related costs, incurred to the extent caused by any act or omission by Grantee, or its employees, agents, Sub-grantees, or assignees pursuant to the terms of this Grant; however, the provisions hereof shall not be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions, of the Colorado Governmental Immunity Act, CTS § 24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C.2671 et seq., as applicable, as now or hereafter amended.

G. Jurisdiction and Venue

All suits, actions, or proceedings related to this Grant shall be held in the State of Colorado and exclusive venue shall be in the City and County of Montrose.

H. Modification

i. Except as specifically provided in this Grant, modifications of this Grant shall not be effective unless agreed to in writing by the Parties in an amendment to this Grant, properly executed and approved in accordance with applicable Colorado State law, City ordinances and City Fiscal Policy.

ii. By Operation of Law

This Grant is subject to such modifications as may be required by changes in Federal or Colorado State law, or their implementing regulations. Any such required modification automatically shall be incorporated into and be part of this Grant on the effective date of such change, as if fully set forth herein.

I. Order Precedence

The provisions of this Grant shall govern the relationship of the Parties. In the event of conflicts or inconsistencies between this Grant and its exhibits and attachments including, but not limited to, those provided by Grantee, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority:

i. Colorado Special Provisions;
ii. The provisions of the main body of this Grant; and
iii. Exhibit A

J. Severability

Provided this Grant can be executed and performance of the obligations of the Parties accomplished within its intent, the provisions hereof are severable and any provision that is declared invalid or becomes inoperable for any reason shall not affect the validity of any other provision hereof.

K. Survival of Certain Grant Terms

Notwithstanding anything herein to the contrary, provisions of this Grant requiring continued performance, compliance, or effect after termination hereof, shall survive such termination and shall be enforceable by MURA if Grantee fails to perform or comply as required.

L. Third Party Beneficiaries

Enforcement of this Grant and all rights and obligations hereunder are reserved solely to the Parties, and not to any third party. Any services or benefits which third parties receive as a result of this Grant are incidental to the Grant, and do not create any rights for such third parties.

M. Waiver

Waiver of any breach of a term, provision, or requirement of this Grant, or any right or remedy hereunder, whether explicitly or by lack of enforcement, shall not be construed or deemed as a waiver of any subsequent breach of such term, provision or requirement, or of any other term, provision, or requirement.

10. COLORADO SPECIAL PROVISIONS

These Special Provisions apply to all Grants except where noted in italics.

A. MURA BOARD APPROVAL.

This Grant shall not be deemed valid until it has been approved by the Board of the Montrose Urban Renewal Authority.

B. GOVERNMENTAL IMMUNITY.
No term or condition of this Grant shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, CRS § 24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b) and 2671 et seq., as applicable now or hereafter amended.

C. INDEPENDENT CONTRACTOR.
Grantee shall perform its duties hereunder as an independent contractor and not as an employee. Neither Grantee nor any agents or employee of Grantee shall be deemed to be an agent or employee of MURA. Grantee and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through MURA and MURA shall not pay for or otherwise provide such coverage for Grantee or any of its agents or employees. Unemployment insurance benefits shall be available to Grantee and its employees and agents only if such coverage is made available by Grantee or a third party. Grantee shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this Grant. Grantee shall not have authorization, expressed or implied, to bind MURA to any agreement, liability or understanding, except as expressly set forth herein. Grantee shall (a) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (b) provide proof thereof when requested by MURA, and (c) be solely responsible for its acts and those of its employees and agents.

D. COMPLIANCE WITH LAW.
Grantee shall strictly comply with all applicable Federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

E. CHOICE OF LAW.
Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Grant. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this Grant, to the extent capable of execution.

F. BINDING ARBITRATION PROHIBITED.
MURA does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this Grant or incorporated herein by reference shall be null and void.

G. SOFTWARE PIRACY PROHIBITION.
MURA or other public funds payable under this Grant shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or

applicable licensing restrictions. Grantee hereby certifies and warrants that, during the term of this Grant and nay extensions, Grantee has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If MURA determines the Grantee is in violation of this provision, MURA may exercise any remedy available at law or in equity or under this Grant, including without limitation, immediate termination of this Grant and any remedy consistent with federal copyright laws or applicable licensing restrictions.

H. EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST.
The signatories aver that to their knowledge, no employee of MURA has any personal or beneficial interest whatsoever in the service or property described in this Grant. Grantee has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Grantee's services and Grantee shall not employ any person having such known interests.

I. PUBLIC CONTRACTS FOR SERVICES.
Grantee certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who shall perform work under this Grant and shall confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this Grant, through participation in the E-Verify program or the State program established pursuant to CRS § 8-17.5-102(5)(c), Grantee shall not knowingly employ or contract with an illegal alien to perform work under this Grant or enter into a contract with a Sub-grantee that fails to certify to Grantee that the Sub-grantee shall not knowingly employ or contract with an illegal alien to perform work under this Grant. Grantee (a) shall use E-Verify Program or State program procedures to undertake pre-employment screening of job applicants while this Grant is being performed, (b) shall notify the Sub-grantee and the contracting State agency within three days if Grantee has actual knowledge that a Sub-grantee is employing or contracting with an illegal alien for work under this Grant, (c) shall terminate the Sub-grant if a Sub-grantee does not stop employing or contracting with the illegal alien within three days of receiving notice, and (d) shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to CRS § 8-17.5-102(5), by the Colorado Department of Labor and Employment. If Grantee participates in the State program, Grantee shall deliver to the contracting State agency, Institution of Higher Education or political subdivision, a written, notarized affirmation, affirming that Grantee has examined the legal work status of such employee, and shall comply with all of the other requirements of the State program. If Grantee fails to comply with any requirement of this provision or CRS §8-17.5-101 et seq., the contracting State agency, Institution of Higher Education or political subdivision may terminate this Grant for breach and, if so terminated, Grantee shall be liable for damages.

J. PUBLIC CONTRACTS WITH NATURAL PERSONS.
Grantee, if a natural person 18 years of age or older, hereby swears and affirms under penalty of perjury that he or she (a) is a citizen or otherwise lawfully present in the United States pursuant to Federal law, (b) shall comply with the provisions of CRS § 24-76.5-103 prior to

the effective date of this Grant.

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SIGNATURE PAGE

THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT

*Persons signing for Grantee hereby swear and affirm that they are authorized to act on Grantee's behalf and acknowledge that MURA is relying their representations to that effect.

MURA **GRANTEE**

By:____________________________
William E. Bell, MURA Executive Director

By:____________________________
David Dragoo, Manager
NMTC at CO QALICB, LLC

ATTEST

By:____________________________
Lisa DelPiccolo, City Clerk

State of Colorado)
) ss.
County of Montrose)

The foregoing instrument was acknowledged before me this______day of________, 20___, by William E. Bell, Executive Director, Montrose Urban Renewal Authority.

Witness my hand and official seal.
My commission expires: .

(Seal)

____
Notary

State of Colorado)
) ss.
County of Montrose)

The foregoing instrument was acknowledged before me this______day of________, 20___, by David Dragoo, Manager of NMTC at CO QALICB, LLC.

Witness my hand and official seal.
My commission expires: .

(Seal)

____
Notary

EXHIBIT A

PROMISSORY NOTE

Demand
Promissory Note

On this ______ day of ______________, 20____, in return for valuable consideration received, the undersigned Montrose Urban Renewal Authority, a body corporate and politic of the State of Colorado (the "Authority"), whose address is 433 S. First Street, Montrose, Colorado 81401, ("Promisor") promises to pay to the City of Montrose, a Colorado municipal corporation, with a principal address of 433 S. First Street, P.O. Box 790, Montrose, Colorado 81402, ("City"), the sum based on actual expenses, not to exceed $__________ Dollars, ("Loan Amount"), together with interest, thereon at the rate of 4%.

Purpose of Note: The purpose of this Promissory Note is to repay to the City those funds advanced by the City to the Promisor pursuant to terms of the Development Agreement between MURA and ________________________ as approved by the MURA Board of Directors.

Terms of Repayment: Using (TIF) Tax Increment Financing revenues from both Property and Sales Tax Increment generated within the (MURA) Montrose Urban Renewal Authority boundaries as they become available, the Promisor shall pay to the order of the City of Montrose the Loan Amount, with interest accruing at the rate of 4% per annum until such time that the Loan Amount is paid in full.

a. All payments due hereunder are payable in lawful money of the United States in same day funds. The Loan Amount may be prepaid, in whole or in part, at any time and from time to time without penalty or premium.

b. All payments shall be made to the City of Montrose on a quarterly basis as the revenues become available.

c. Promisor's obligation to pay the unpaid principal balance of the Loan Amount shall be limited to the available funds of Promisor which are not otherwise encumbered as of the date of the Promissory Note, and shall be subordinate to all other debts to the City.

All payments shall be first applied to interest and the balance to principal.

Payable on Demand: At the option of the City, the entire unpaid principal and accrued interest thereon, if any, shall become immediately due and payable on demand by the holder of this Note. The City may collect any funds due and payable by any lawful manner.

Attorneys' Fees and Costs: Promisor shall pay all costs incurred by the City in collecting sums due under this Note after a default, including reasonable attorneys' fees, whether or not suit is brought.

Modification: No modification or waiver of any of the terms of this Agreement shall be allowed unless by written agreement signed by both parties. No waiver of any breach or default hereunder shall be deemed a waiver of any subsequent breach or default of the same or similar nature.

Severability of Provisions: In the event that any portion of this Note is deemed unenforceable, all other provisions of this Note shall remain in full force and effect.

Choice of Law: All terms and conditions of this Note shall be interpreted under the laws of Montrose County, Colorado.

Signed Under Penalty of Perjury, this ______ day of ______________, 20____.

Montrose Urban Renewal Authority, a body corporate and politic of the State of Colorado (Promisor)

By: ____________________________________
MURA Board Chair

ATTEST:

By: ____________________________________
William E. Bell, MURA Executive Director

DEMAND
PROMISSORY NOTE
FLEX BUILDING PROJECT

On this ______ day of ______________, 2021, in return for valuable consideration received, the undersigned Montrose Urban Renewal Authority, a body corporate and politic of the State of Colorado (the "Authority"), whose address is 433 S. First Street, Montrose, Colorado 81401, (“Promisor”) promises to pay to the City of Montrose, a Colorado municipal corporation, with a principal address of 433 S. First Street, P.O. Box 790, Montrose, Colorado 81402, (“City”), the sum based on actual expenses, not to exceed $1,100,000 Dollars, (“Loan Amount”), together with interest, thereon at the rate of 4%.

Purpose of Note: The purpose of this Promissory Note is to repay to the City those funds advanced by the City to the Promisor pursuant to terms of the Development Agreement between MURA and NMTC at CO QALICB, LLC as approved by the MURA Board of Directors.

Terms of Repayment: Using (TIF) Tax Increment Financing revenues from both Property and Sales Tax Increment generated within the (MURA) Montrose Urban Renewal Authority boundaries as they become available, the Promisor shall pay to the order of the City of Montrose the Loan Amount, with interest accruing at the rate of 4% per annum until such time that the Loan Amount is paid in full.

a. All payments due hereunder are payable in lawful money of the United States in same day funds. The Loan Amount may be prepaid, in whole or in part, at any time and from time to time without penalty or premium.

b. All payments shall be made to the City of Montrose on a quarterly basis as the revenues become available.

c. Promisor’s obligation to pay the unpaid principal balance of the Loan Amount shall be limited to the available funds of Promisor which are not otherwise encumbered as of the date of the Promissory Note, and shall be subordinate to all other debts to the City.

All payments shall be first applied to interest and the balance to principal.

Payable on Demand: At the option of the City, the entire unpaid principal and accrued interest thereon, if any, shall become immediately due and payable on demand by the holder of this Note. The City may collect any funds due and payable by any lawful manner.

Attorneys’ Fees and Costs: Promisor shall pay all costs incurred by the City in collecting sums due under this Note after a default, including reasonable attorneys’ fees, whether or not suit is brought.

Modification: No modification or waiver of any of the terms of this Agreement shall be allowed unless by written agreement signed by both parties. No waiver of any breach or default hereunder shall be deemed a waiver of any subsequent breach or default of the same or similar nature.

Severability of Provisions: In the event that any portion of this Note is deemed unenforceable, all other provisions of this Note shall remain in full force and effect.

Choice of Law: All terms and conditions of this Note shall be interpreted under the laws of Montrose County, Colorado.

Signed Under Penalty of Perjury, this ______ day of ____________, 2021.

Montrose Urban Renewal Authority, a body corporate and politic of the State of Colorado (Promisor)

By: ____________________________________
Tad Rowan, MURA Board Chair

ATTEST:

By: ____________________________________
William E. Bell, MURA Executive Director