

MONTROSE URBAN RENEWAL AUTHORITY (MURA)

BOARD of COMMISSIONERS MEETING

Tuesday, November 18, 2025 2:00 PM

City of Montrose City Council Chambers

107 S. Cascade Avenue, Montrose, CO



AGENDA

- 1) **CALL TO ORDER**
 - Board Chair J. David Reed

- 2) **THE PLEDGE OF ALLEGIANCE**

- 3) **ROLL CALL**
 - Senior Deputy City Clerk Briceida Ortega

- 4) **CHANGES TO THE AGENDA, INCLUDING ADDITIONS AND DELETIONS**

- 5) **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. 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” that violates state or local law and shall not be permitted.

- 6) **CONSIDERATION OF MINUTES**
 - Senior Deputy City Clerk Briceida Ortega

Action: Consider making a motion to approve the minutes of the May 1, 2025 regular MURA Board meeting as presented.

- 7) **TIF EXPENDITURE UPDATE**
 - City Engineer Scott Murphy

- 8) **GREENLINE PROJECT – CONTRACT EXTENSION**

- 9) **REVIEW MURA HANDBOOK**
 - Executive Director William Bell

- 10) **SCHEDULE FUTURE MEETINGS**

- 11) **ADJOURNMENT**

**MONTROSE URBAN RENEWAL AUTHORITY
MINUTES OF THE REGULAR MEETING
MAY 1, 2025**

A regular meeting of the Montrose Urban Renewal Authority (MURA) Board of Commissioners was held on Thursday, May 1, 2025, at 2:00 p.m. in the Buckhorn Conference Room, located at City Hall at 400 E Main Street. Said meeting was posted in accordance with the Sunshine Law.

Present: J. David Reed, Dave Frank, Doug Glaspell, Ed Ulibarri, Brad Hughes, Allison Howe, Jim Haugsness, Executive Director William Bell

Absent: Judy Ann Files, Stephen Bush

Guests: David Dragoo, Doug Dragoo, Gail Marvel, Briceida Ortega, Rob Mackenzie, Anthony Russo, Abarrane Rojas, Chris Dowsey, John Stueber, Paul Benedetti, David Schieldt

CALL TO ORDER

The meeting was called to order at 2:00 p.m. by Allison Howe.

PLEDGE OF ALLEGIANCE

The pledge of allegiance was recited.

ROLL CALL

Board members J. David Reed, Dave Frank, Doug Glaspell, Ed Ulibarri, Brad Hughes, Allison Howe, Jim Haugsness and Executive Director William Bell were present.

Judy Ann Files and Stephen Bush were absent.

CHANGES TO THE AGENDA, INCLUDING ADDITIONS AND DELETIONS

No additions or deletions.

CALL FOR PUBLIC COMMENT

No comments.

CONSIDERATION OF MINUTES

The Montrose Urban Renewal Authority Commission considered the minutes of the regular meeting held on November 6, 2024.

A motion was made by Dave Frank, seconded by Ed Ulibarri, to approve the minutes of the regular meeting held on November 6, 2024 as presented. All voted yes. Motion passed.

Election of Officers

J David Reed was nominated for Chairperson. Jim Haugsness seconded the motion. All voted yes. J David Reed accepted the position

Judy Ann Files was nominated for the position of Vice Chairperson. Jim Haugsness seconded. All voted yes.

The Deputy City Clerk role was nominated for the position of Secretary. Dave Frank seconded. All voted yes. The position was accepted.

TIF Expenditure Update

Scott Murphy presented the current financial spreadsheet, noting that expense authorization dates and amounts are clearly listed. He emphasized the importance of tracking these figures to understand the City's ability to fund ongoing and future projects. The spreadsheet reflects approximately \$16.2 million in expenditures, with the bottom-line figure showing the difference between authorized expenses and available funds. He explained that projects may be financed either through the URA Board or directly through TIF revenue, which connects to the next financial model reviewed.

Jim Haugsness asked about the \$3.7 million in accrued interest, noting that none of it has been paid to date and inquiring about how the compounding works. Scott explained that compounding begins at the date each promissory note is issued, and the more recent notes have accrued more interest. He referenced the Anderson long-term URA model, which tracks interest growth projections. Jim also noted that 17 years remain in the URA, with the payoff goal set for 2042.

Bill reported that Gram with Anderson Analytics would forward the updated model to Jim for review. He reiterated the consensus from prior discussions: the City Council does not want to call the notes yet, preferring instead to keep funds invested within the URA to generate continued growth. All revenue is intended to remain in the URA at this time. He also referenced DA Davidson's prior presentation regarding strategies to raise revenue, maintain cash flow for approved projects, and prepare for a potential bond issuance. Any future bond would include partial repayment to the City based on development projections. The overarching goal remains full repayment by 2042, ideally with a surplus to return to the taxing entities.

Brad Hughes asked whether the URA was considered "self-funded." Scott clarified differences in funding sources, and Brad noted that \$3.4 million had been self-funded so far (with the Shelter project funded only in part). To date, \$2.6 million in TIF revenue has been collected, though a shortfall remains; however, future revenue is expected to close the gap. Brad asked whether the

\$2.6 million represented cumulative revenue, and Scott confirmed it reflects net available TIF revenue collected to date.

Further discussion occurred among Dave Frank, Scott, Bill, and Brad regarding the Annual Net TIF Revenue. Scott and Brad confirmed that the financial curve is performing as intended. The group briefly addressed whether lodging tax revenue could be broken out, but Anthony Russo clarified that hotel-specific information is confidential and cannot be disclosed. The board agreed.

Jim Haugsness asked whether the URA financial model is “recession-proof.” Bill responded by referencing current data. Anthony reported that property tax values continue to rise, and Brad noted that large commercial properties tend to retain their value and are less volatile than residential markets. Jim expressed concern about a potential downward trend in sales and use tax. Brad explained that Anderson’s model uses a conservative nominal increase, and Anthony added that Anderson’s projections represent the most conservative scenario available. Scott will follow up with Shani regarding additional data.

Hampton Inn Development Agreement

Anthony Russo provided an update regarding the development agreement for the Hampton Inn project. He noted that up to \$1.4 million in incentives had been approved in August, and the agreement requires the developer to pull building permits within six months.

During discussion, J. David Reed asked when infrastructure construction would begin. Anthony explained that once the permits are pulled, the developer will begin with infrastructure work. Bill added that, similar to the previous hotel project, an excavation permit would be issued first, allowing groundwork to begin. John Stueber referenced past practice, noting that foundation work typically proceeds once vertical construction is ready, along with parking lot preparation.

The board then reviewed contract language:

- J. David Reed raised concerns regarding *Paragraph 9 (Representations and Warranties)*.
- Brad Hughes expressed concern about the use of “grantee,” suggesting the term should be revised.
- Bill noted that while funds will be placed in escrow and transferred appropriately, this detail is not currently reflected in the agreement.
- John Stueber clarified that the agreement requires Bill’s signature.

- J. David Reed also identified an issue in *Paragraph 12 (Special Provisions)* regarding the city manager's approval authority, stating he was not comfortable with the manager being listed as the approving party.

Brad Hughes recommended that future agreements clearly define deadlines tied to building permit approvals. Chris Dowsey clarified that MURA (Bill) does not sign the development agreement and noted a second issue: the developers are not yet the parcel owners. The agreement gives them a set number of days to acquire ownership, but if circumstances change, the board may need to revisit the agreement. All representations must be accurate at the time of execution.

John Stueber emphasized the need to move quickly once the project is approved and asked what date should govern the formation of the acquiring entity.

A motion was made by J. David Reed, seconded by Dave Frank, to approve the development agreement with revisions requiring Board approval instead of Manager approval and confirming all representations and warranties are accurate at execution, and the motion passed unanimously.

Rivers Edge at Colorado Outdoors Project Update

David Dragoo delivered a presentation that included a video recap of recent progress within the URA. He highlighted significant job creation, noting that 240 new jobs were added in 2024, along with 79,000 square feet of new commercial space constructed. He reviewed the master plan, including upcoming flex buildings, and shared a promotional video from HotWorx, which celebrated its grand opening this spring.

Dragoo also provided updates on several business developments:

- Flow State CoPacking, which conducts some of its manufacturing on site and utilizes a large volume of compostable materials.
- Sage House Design Studio + Collection, offering higher-end entry-level home designs with a retail opening planned for 2025.

Bill noted that while the City and MURA provide infrastructure, David and Doug Dragoo, as private partners, lead business recruitment and attract new tenants. Dave added that statewide conferences frequently cite the Montrose URA as a model for others, particularly highlighting the value of having the County Assessor serve on the board. Anthony emphasized the Dragoo

projects' major impact on the tax base, as they were the first cornerstone developments to generate both property and sales tax revenues. Jim clarified that the City's role is focused on horizontal improvements such as streets, sidewalks, and curbs.

Dragoo also provided an update on Rivers Edge, reporting a planned 15,000-square-foot expansion. In response to board questions:

- Regarding the medical facility, Anthony noted that negotiations are ongoing and communication with all parties continues, but no details can be disclosed at this time.
- Regarding the Parkhouse project, Dragoo stated that it is not ready to proceed and is currently on hold.

Discussion Related to Establishment of Additional MURA Project Areas

Attorney Paul Benedetti provided an overview of the process involved in creating Urban Renewal Areas (URAs). He noted that this project was among the first in Colorado to be formed in partnership with multiple taxing entities. The framework originated from former federal programs, now discontinued, and is adapted from California's model, which that state no longer uses.

Benedetti explained that one key distinction in Montrose is that the URA's operational area lies fully within City boundaries, allowing City Council to approve new URA areas. Because the URA operates under state statute and police powers, it can enter long-term financial obligations without requiring annual appropriations, which benefits developers undertaking complex, multi-year projects.

He reviewed eligibility requirements, including the need for a legal description for the County Assessor to calculate potential TIF revenue, as well as the requirement to document at least four of the twelve statutory factors of blight. These factors often overlap, such as unsafe conditions or flood-prone properties. Benedetti emphasized the importance of the Increment Report, which projects new construction, anticipated uses, and revenue timelines. Since TIF revenue often lags by a year and development activity can be unpredictable, URA areas may generate minimal revenue for the first six to eight years, making conservative boundary setting and realistic development assumptions critical.

He explained the importance of understanding impacts to schools, counties, and recreation districts. School districts, facing declining enrollment, rely on state funding and often negotiate

to retain specific levies (such as asbestos or transportation levies) while the URA retains others through the tax increment process.

During board discussion, Ed Ulibarri asked whether a small property expiring in 2042 would extend if included in a new area. Benedetti explained that each URA plan has its own 25-year period based on the project's base year. For example, a plan approved now would have a base year of 2024, with 2025 as the first increment year, running for 25 years from that point.

Bill Bell asked whether an existing URA running through 2022 could be extended through 2042. Benedetti clarified that each new project creates its own 25-year term. He strongly advised against expanding existing URA boundaries, as doing so resets the base value and disrupts the financial structure. Instead, he recommended establishing adjacent but separate URA areas, each with its own increment.

Benedetti also noted that amending a URA that never attracted development is possible but restarts the entire process, making it administratively challenging.

Additional discussion included examples from other communities, such as Pueblo's historic building programs and Colorado Springs' URA projects. Dave Frank requested that Bill prepare a one-page outline summarizing potential new URA areas. Benedetti offered additional suggestions to assist the board as they continue evaluating future URA opportunities.

Adjournment

The meeting was adjourned at 3:33 pm, with no further action taken.

ATTEST:

J. David Reed, Chairperson

William E. Bell, Executive Director

TABLE 1
Montrose Urban Renewal Authority
Summary of MURA Expenditures to Date
Rev. 11/11/2025

Work Element	Promissory Note Date	Promissory Note Amount	Contract or Expense Authorization Date	Contract or Expense Authorization	Consultant/ Contractor	Expenses to Date	Anticipated Outstanding Expenses	Grant Revenues (Where Applicable)	Total Anticipated Out of Pocket Expense ^(a)
Stantec/Black Mtn. Design Reimbursements	5/11/2017	\$353,759.55	5/11/2017	\$353,759.55	Black Mtn. Reimbursements	\$353,759.55	\$0.00		\$353,759.55
Phase I Civil Design	6/5/2017	\$552,570.00	6/5/2017	\$462,370.00	Del-Mont Consultants	\$462,118.83	\$0.00		\$462,118.83
Phase I Design Incidentals				\$90,200.00	P. Hayes et. al.	\$90,207.73	\$0.00		\$90,207.73
Uncompahgre River Improvements Design	7/24/2017	\$121,951.00	7/24/2017	\$146,881.00	Ecological Resource Consultants	\$146,881.00	\$0.00	\$21,300.00	\$125,581.00
Sewer Materials Direct Purchase	10/5/2017	\$6,750,000.00	11/16/2018	\$413,208.24	Winwater GJ Pipe	\$417,329.40	\$0.00		\$417,329.40
Phase I Civil Design Change Order			1/2/2018	\$95,250.00	Del-Mont Consultants	\$80,292.90	\$0.00		\$80,292.90
Phase I Design Incidentals Change Order				\$10,175.00	P. Hayes	\$10,175.00	\$0.00		\$10,175.00
Power Utilities				\$1,080,000.00	DMEA	\$676,916.84	\$0.00		\$676,916.84
Natural Gas Utilities				\$375,000.00	Black Hills Energy	\$371,016.09	\$0.00		\$371,016.09
SCADA and Hot Tap				\$43,115.00	Multiple	\$42,860.00	\$0.00		\$42,860.00
Survey and Const. Support				\$274,100.00	Del-Mont Consultants	\$172,327.95	\$0.00		\$172,327.95
Entrance Drives/Access Road Along Mayfly				\$204,459.60	Rundle Const. Ridgway Valley Ent.	\$188,747.02	\$0.00		\$188,747.02
Support/Planning Services				-	Multiple	\$148,704.73	\$0.00		\$148,704.73
Phase I Construction - Base Bid				\$4,254,692.00	Ridgway Valley Ent.	\$3,346,750.69	\$0.00		\$3,346,750.69
Phase I Construction - Bid Alternates				\$665,116.82		\$665,116.82	\$0.00		\$665,116.82
Fairfield Hotel Horiz. Site Improvements	Savings			1/21/2020	\$600,000.00	LaMont Companies	\$600,000.00	\$0.00	
Mayfly Site Horiz. Site Improvements	10/15/2018	\$805,937.09	10/15/2018	\$805,937.09	Black Mtn. Capital	\$653,078.89	\$0.00		\$653,078.89
Phase I River Construction	3/6/2019	\$1,100,000.00	2/3/2020	\$1,600,000.00	ERC/Naranjo	\$1,602,969.34	\$0.00	\$784,588.00	\$818,381.34
Phase II Infrastructure Civil Design	Savings		1/14/2020	\$111,300.00	Del-Mont Consultants	\$88,716.68	\$0.00		\$88,716.68
Colorado Yurt Horizontal Site Imp.	4/7/2021	\$853,935.00	4/7/2021	\$853,935.00	Alcorn Const.	\$853,935.00	\$0.00		\$853,935.00
Basecamp Apt. Horiz. Site Imp.	6/16/2021	\$1,367,000.00	6/16/2021	\$1,367,000.00	Misc.	\$1,363,381.60	\$0.00		\$1,363,381.60
Flex Buildings Horizontal Site Imp.	10/20/2021	\$1,100,000.00	10/20/2021	\$1,100,000.00	Black Mtn/Shaw	\$1,100,000.00	\$0.00		\$1,100,000.00
Shelter Distilling Horiz. Site Improvements	N/A	-	6/2/2022	\$700,000.00	Shaw	\$700,000.00	\$0.00		\$700,000.00
Second Lamont Hotel	N/A	-	6/26/2024	\$1,400,000.00	TBD	\$0.00	\$1,400,000.00		\$1,400,000.00
Project Greenline Horiz Site Improvements	N/A	-	11/6/2024	\$1,300,000.00	TBD	\$0.00	\$1,300,000.00		\$1,300,000.00
TOTAL (No Interest)		\$13,005,153				\$14,135,286	\$2,700,000	\$805,888	\$16,029,398
TOTAL INCL. INTEREST TO DATE (To 11/11/2025)^(b)		\$17,140,629							

(a) Expenses to Date + Outstanding Expenses - Grant Revenues

(b) Interest calculated at 4% compounded annually from date of promissory note

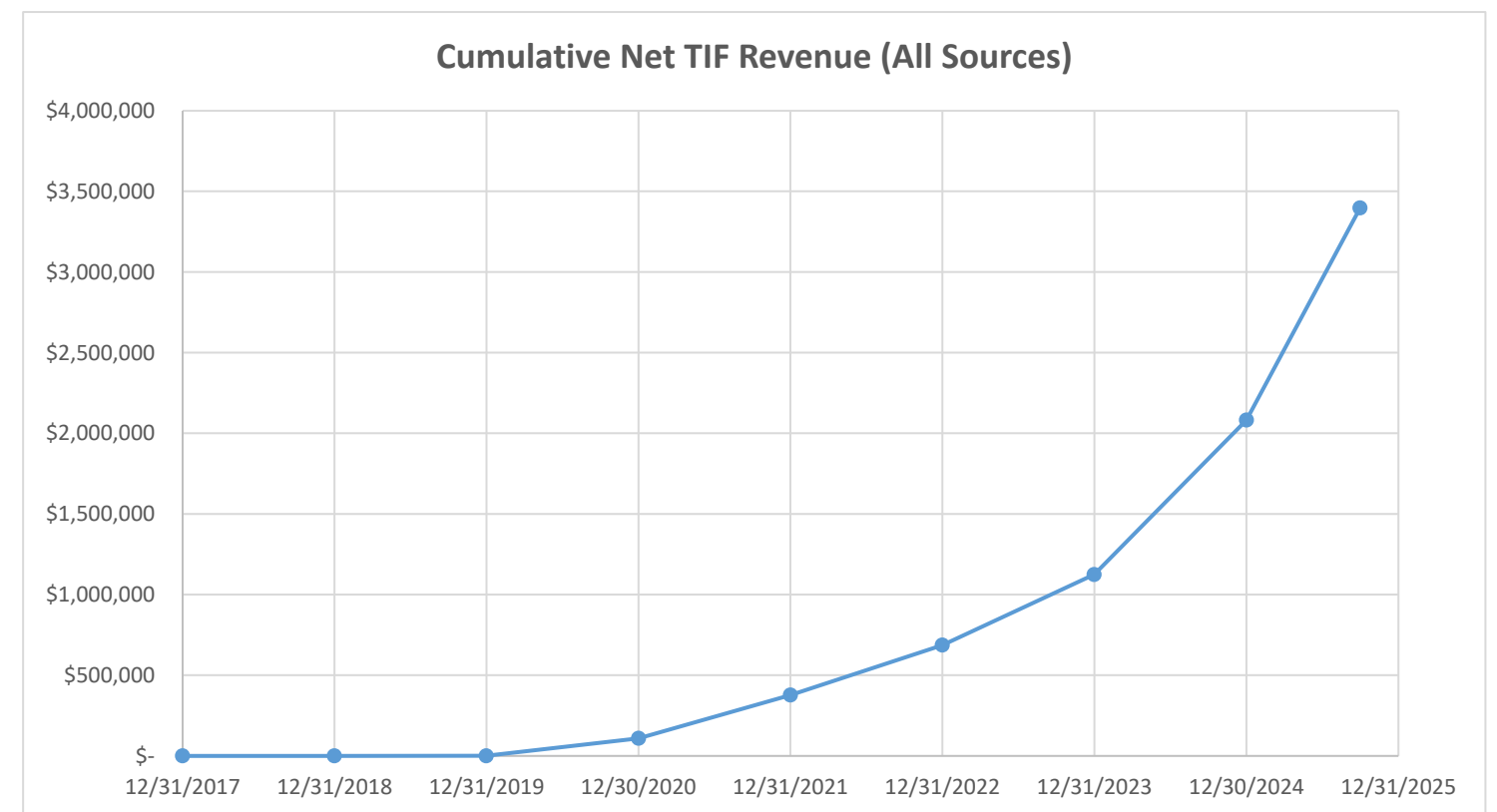
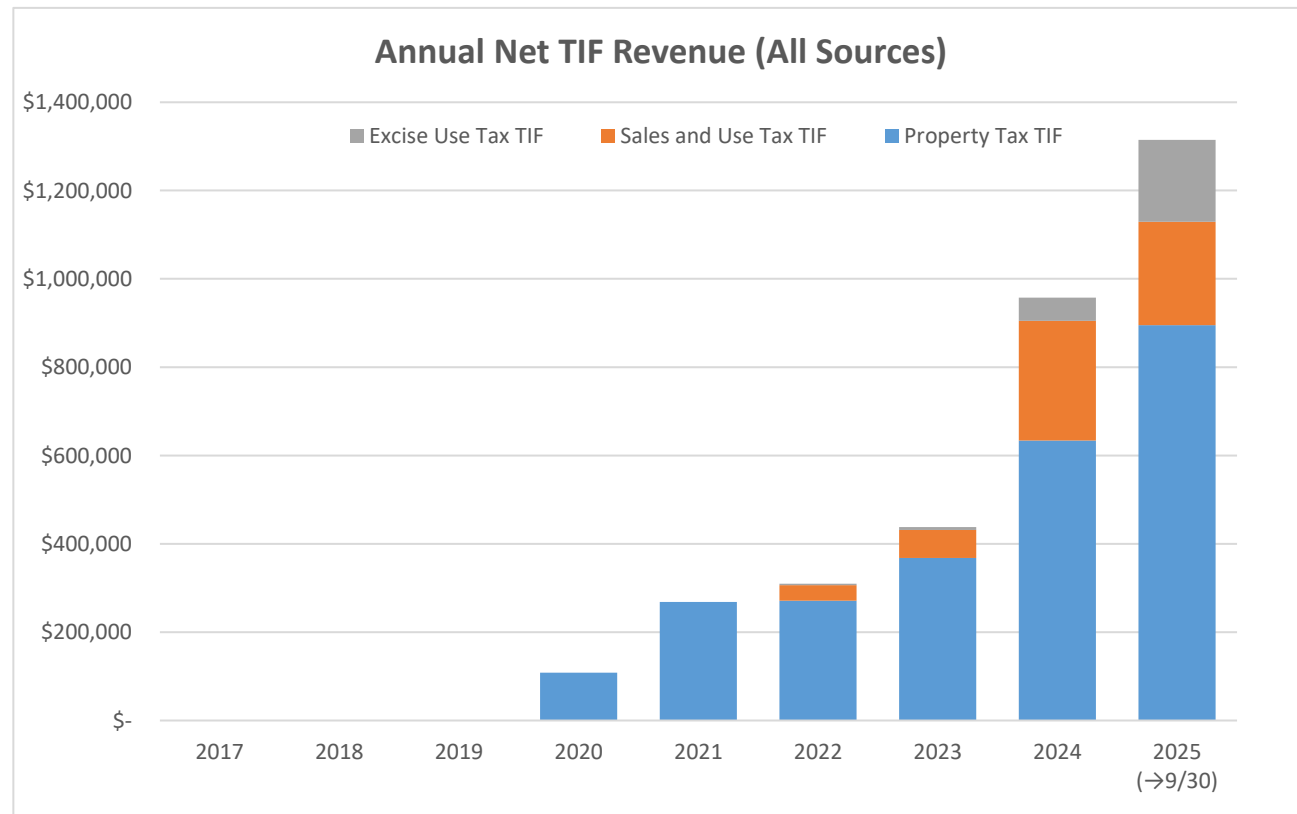
(c) Total Anticipated Out of Pocket Expense - Total Promissory Notes

Completed lines shaded grey

DIRECT-FUNDED EXPENDITURES ^(c) \$3,024,245

Source	TABLE 1 ANNUAL NET TIF REVENUE								
	2017	2018	2019	2020	2021	2022	2023	2024	2025 (→9/30)
Property Tax TIF	\$ -	\$ -	\$ 387	\$ 108,262	\$ 268,256	\$ 271,142	\$ 367,920	\$ 634,081	\$ 895,030
Sales and Use Tax TIF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,226	\$ 63,659	\$ 270,786	\$ 234,264
Excise Use Tax TIF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,443	\$ 6,231	\$ 52,698	\$ 185,391
TOTALS	\$ -	\$ -	\$ 387	\$ 108,262	\$ 268,256	\$ 309,811	\$ 437,809	\$ 957,565	\$ 1,314,686

TABLE 2 CUMULATIVE NET TIF REVENUE	
12/31/2017	\$ -
12/31/2018	\$ -
12/31/2019	\$ 387
12/31/2020	\$ 108,649
12/31/2021	\$ 376,905
12/31/2022	\$ 686,716
12/31/2023	\$ 1,124,525
12/31/2024	\$ 2,082,090
9/30/2025	\$ 3,396,776



MONTROSE URBAN RENEWAL AUTHORITY
Development Agreement
With
GCV OZ I, LLC

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1. PARTIES

This Development Agreement (hereinafter called "Agreement") is entered into by and between the Montrose Urban Renewal Authority, whose address is 400 East Main Street, Montrose, Colorado 81401 (hereinafter called "MURA"), GCV OZ I, LLC whose address is 1555 Blake Street, Suite 210, Denver, CO 80202 (hereinafter called "Grantee").

2. EFFECTIVE DATE AND NOTICE OF NONLIABILITY

This Agreement shall not be effective or enforceable until it is approved and signed by the MURA Executive Director or designee, and the Grantee (hereinafter called the "Effective Date"). The 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 Effective Date, unless expressly provided.

3. RECITALS

A. Authority, Appropriation, and Approval

The MURA enters into this agreement under authority of the Constitution of the State of Colorado as a home-rule municipality.

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.

C. Purpose

In the interest of promoting outdoor recreation opportunities, economic development, and local businesses, this Agreement is serving as a specific inducement for Grantee to commit to the location and construction of its local business.

D. References

All references in this Agreement 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 completion is based on criteria as set forth in this Agreement.

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. Agreement

“Agreement” means this agreement, its terms and conditions, attached exhibits, documents incorporated by reference under the terms of this Agreement, and any future modifying agreements, exhibits, attachments or references incorporated herein pursuant to Colorado State law, MURA ordinance and MURA Fiscal Policies.

E. Grant Funds

“Grant Funds” means funds available for distribution by the MURA payable by the MURA to Grantee or a Sub-grantee, pursuant to this Agreement.

F. Party or Parties

“Party” means the MURA or Grantee and “Parties” means both the 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 set forth in this agreement.

H. Services

“Services” means the Funds or Work to be contributed by the MURA pursuant to this Agreement.

I. Sub-grantee

“Sub-grantee” means third-parties, if any, engaged by Grantee to aid in performance of its obligations under this Agreement.

J. Work or Project

“Work” or “Project” means the tasks and activities described in Sections 6.C. and 6.D. below.

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, 2027 unless sooner terminated or further extended as specified elsewhere herein. Grantee shall obtain a building permit, signifying the beginning of work, no later than October 31, 2025.

B. Obligations Non-Transferrable and Sale of the Property

Grantee's rights and obligations under this Agreement are personal and nontransferable, except to Sub-grantees. If the property subject to this Agreement is sold prior to completion or the nature of the project changes, it shall be a breach of this Agreement. The duties of this Agreement shall survive such a sale of the property.

6. STATEMENT OF WORK AND UNDERSTANDING OF PERFORMANCE

A. Completion

MURA shall pay for the Work and Services as outlined in Section 6.C. below. Provided that Grantee is approved for a building permit, Grantee shall endeavor to complete the Work described in Section 6.B below on or before December 31, 2027.

B. Grantee's Obligation;

In consideration for the Services described in Section 6.C. below, Grantee shall construct (or cause to be constructed) a Commercial/Residential Mixed Use (as defined below) by December 31, 2027 (the "Completion Date"), in general conformance with the site plan attached as Exhibit A. Grantee shall have sole responsibility for and control over the design, development, and construction of the Project. Grantee agrees that the building shall be used minimum of 10,000 square feet of retail sales use and a minimum of 75,000 square feet or approximately 90 units of multifamily residential use as set forth herein.

C. Infrastructure; Work

The MURA agrees to provide up to \$1,300,000 in support of horizontal site improvements to include items such as parking lot fill, curb, gutter, sidewalks, paving, lighting, drainage, striping and landscaping construction. Improvements/modifications to Mayfly Drive or expenditures associated with the vertical building construction and its associated utility services are not eligible for reimbursement.

Payment will be made for actual costs of completed improvements, up to \$1,300,000 in total from MURA, based on supporting invoices from contractors performing the work and mutually-agreed-upon unit prices for eligible improvements. Unless otherwise agreed to in writing between the parties hereto, all reimbursements made by MURA for horizontal site infrastructure improvements shall be made directly to the appropriate contractor or subcontractor following completion of their respective work, MURA's receipt of a proper invoice and/or pay request, and verification that all work has been satisfactorily completed.

7. BREACH

A. Defined

In addition to any breaches specified in other sections of this Agreement, the failure of either Party to perform any of its material obligations hereunder, in whole or in part or in a timely or satisfactory manner, constitutes a breach of this Agreement. The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Grantee, or the appointment of a receiver or similar officer for Grantee or any of its property, which is not vacated or fully stayed within 20 days after the institution or occurrence thereof, shall also constitute a breach.

B. Notice and Cure Period

In the event of a breach, notice of such shall be given in writing by the aggrieved Party to the other Party in the manner provided in § 9. If such breach is not cured within 30 days of receipt of written notice, or if a cure cannot be completed within 30 days, or if cure of the breach has not begun within 30 days and pursued with due diligence, the aggrieved Party may exercise any of the remedies set forth in § 8. Notwithstanding anything to the contrary herein, the MURA, in its sole discretion, need not provide advance notice or a cure period and may immediately terminate this Agreement in whole or in part if reasonably necessary to preserve public safety or to prevent immediate public crisis.

8. REMEDIES

If Grantee is in breach under any provision of this Agreement, the MURA shall have all of the remedies listed in this § 8 in addition to all other remedies set forth in other sections of this Agreement following the notice and cure period set forth in § 7(B). The MURA may exercise any or all of the remedies available to it, in its sole discretion, concurrently or consecutively.

A. Termination for Cause and/or Breach

If Grantee fails to perform any of its obligations hereunder with such diligence as is required by this Agreement following the applicable notice and cure period, the MURA, at its option, upon written notice to Grantee, may terminate this entire Agreement or such part of this Agreement as to which there has been delay or a failure to properly perform. Exercise by the MURA of this right shall not be deemed a breach of its obligations hereunder. Grantee shall continue performance of this Agreement to the extent not terminated, if any.

B. If Grantee fails to complete the project, Grantee shall reimburse the MURA for all amounts paid by the MURA to Grantee for completed work up to the amount set forth in Section

6.C. above. The Grantee shall notify the MURA within 30 days from the time Grantee relocates from Montrose County, Colorado, if such relocation occurs prior to the Completion Date. Nothing herein shall be construed to limit or otherwise restrict Grantee's ability to sell, lease, mortgage, or otherwise dispose of all or any portion of the Parcel following the Completion Date.

C. If the MURA terminates the Agreement as set forth herein, Grantee may continue with the Project at its own expense.

D. Payments

i. The MURA shall reimburse Grantee for the amounts specified in Section 6.C. above only for accepted performance through the effective date of termination. If, after termination by the MURA, it is determined that Grantee was not in breach or that Grantee's action or inaction was excusable, such termination shall be treated as a termination in the public interest and the rights and obligations of the Parties shall be the same as if this Agreement had been terminated in the public interest, as described herein, and the MURA shall promptly reimburse Grantee for amounts specified in Section 6.C.

ii. Damages and Withholding
Notwithstanding any other remedial action by the MURA, Grantee also shall remain liable to the MURA for any damages sustained by the MURA by virtue of any breach under this Agreement by Grantee and the MURA may withhold any payment to Grantee for the purpose of mitigating the MURA's damages, until such time as the exact amount of damages due to the MURA from Grantee is determined.

E. Remedies Not Involving Termination

The MURA, in its sole discretion, may exercise one or more of the following remedies in addition to other remedies available to it:

i. Withhold Payment
Withhold payment or make a partial payment to Grantee until corrections in Grantee's performance of the Work are satisfactorily made and completed, provided that MURA promptly notifies Grantee in writing of the MURA's disapproval of the Work.

ii. Deny Payment
Deny payment for those obligations not performed as set forth in this Agreement; provided that any denial of payment shall be reasonably related to the value to

the MURA of the obligations not performed.

iii. Intellectual Property

If Grantee infringes on a patent, copyrights, trademark, trade secret or other intellectual property right while performing its obligations under this Agreement, Grantee shall, at the MURA's option (a) obtain for the MURA or Grantee the right to use such products and services; (b) replace any Goods, Services, or other product involved with non-infringing products or modify them so that they become non-infringing; or, (c) if neither of the foregoing alternatives are reasonably available, remove any infringing Goods, Services, or products and refund the price paid therefore to the MURA.

9. REPRESENTATIONS AND WARRANTIES

The Grantee (a) is the record fee owner of the real property located in the City of Montrose, Colorado, County of Montrose and within the Colorado Outdoors project specifically described as MURA Phase I, Lots 12-15 (TBD Mayfly Drive) with a total lot size of 3.516 acres, (b) has full power, right and authority, and any approval required by law, to make and enter into this Agreement.

Grantee makes the following specific representations and warranties, each of which was relied on by the MURA in entering into this Grant.

A. Standard and Manner of Performance

Grantee shall perform its obligations hereunder in accordance with the highest standards of care, skill and diligence in the industry, trades or profession and in the sequence and manner set forth in this Grant.

B. Legal Authority – Grantee and Grantee's Signatory

Grantee warrants that it possesses the legal authority to enter into this Grant and that it has taken all actions required by its procedures, by-laws, and/or applicable laws to exercise that authority, and to lawfully authorize its undersigned signatory to execute this grant, or any part thereof, and to bind Grantee to its terms. If requested by the MURA, Grantee shall provide the MURA with proof of Grantee's authority to enter into this Grant within 15 days of receiving such request.

C. Licenses, Permits, Etc.

Grantee represents and warrants that as of the Effective Date it has, and that at all times during the term hereof it shall have, at its sole expense, all licenses, certifications, approvals, insurance, permits, and other authorizations required to properly perform this Grant, without reimbursement by the MURA or other adjustment in Grant Funds. Additionally, all

employees and agents of Grantee performing Services under this Grant shall hold all required licenses or certifications, if any, to perform their responsibilities. Grantee, if a foreign corporation or other foreign entity transacting business in the State of Colorado, further warrants that it currently has obtained and shall maintain any applicable certificate of authority to transact business in the State of Colorado and has designated a registered agent in Colorado to accept service of process. Any revocation, withdrawal or non-renewal of licenses, certifications, approvals, insurance, permits or any such similar requirements necessary for Grantee to properly perform the terms of this Grant shall be deemed to be a material breach by Grantee and constitute grounds for termination of this Grant.

10. 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. Montrose Urban Renewal Authority:

William E. Bell, MURA
Executive Director or Current
MURA Executive Director
400 E. Main Street
Montrose, CO 81401
Ph: 970-240-1400
Email:
wbell@Cityofmontrose.org

cc: Chris Dowsey, MURA Attorney
or Current MURA Attorney
400 E. Main Street
Montrose, CO 81401
Ph: 970-240-1440
Email:
cdowsey@Cityofmontrose.org

B. Grantee:

Rob Mackenzie
Vice President
Greenline Ventures, LLC
1555 Blake Street #210
Denver, CO 80202
Ph: 720-320-5046
Email:
rob.mackenzie@greenlineventures.com

Patrick Vahey
President
Greenline Venture, LLC
1555 Blake Street #210
Denver, CO 80202
Ph: 303-506-2616
Email:
Patrick.vahey@greenlineventures.com

11. 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 Agreement. All assignments, Sub-grants, or Sub-grantees approved by Grantee or the 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 the MURA's approval in writing. This approval will not be unreasonably withheld.

B. Binding Effect

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

To the fullest extent permitted by law, the Grantee agrees to indemnify and hold harmless the MURA, its officers and its employees, from and against all liability, claims, and demands, on account of any injury, loss, or damage, which arise out of or are connected with the performance of the services under this contract, if such injury, loss, or damage, or any portion thereof, is caused by, or claimed to be caused by, the act, omission, or other fault of the Grantee or any Sub-grantee of the Grantee, or any officer, employee, or agent of the Grantee or any Sub-grantee, or any other person for whom Grantee is responsible. The Grantee shall investigate, handle, respond to, and provide defense for and defend against any such liability, claims and demands, and to bear all other costs and expenses related thereto, including court costs and attorneys' fees. The Grantee's indemnification obligation shall not be construed to extend to any injury, loss, or damage which is caused by the act, omission, or other fault

of the MURA.

G. Jurisdiction and Venue

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

H. Modification

i. Except as specifically provided in this Agreement, modifications of this Agreement 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 and MURA ordinances.

ii. By Operation of Law

This Agreement 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 Agreement on the effective date of such change, as if fully set forth herein.

I. Order Precedence

The provisions of this Agreement shall govern the relationship of the Parties. In the event of conflicts or inconsistencies between this Agreement 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. Special Provisions;

ii. The provisions of the main body of this Agreement ; and

iii. Exhibit A

J. Severability

Provided this Agreement 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 Terms

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

required.

L. Third Party Beneficiaries

Enforcement of this Agreement 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 Agreement are incidental to the Agreement , and do not create any rights for such third parties.

M. Waiver

Waiver of any breach of a term, provision, or requirement of this Agreement , 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.

12. SPECIAL PROVISIONS

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

A. MURA APPROVAL.

This Agreement shall not be deemed valid until it has been approved by the Montrose Urban Renewal Authority MURA Executive Director.

B. GOVERNMENTAL IMMUNITY.

The Parties hereto understand and agree that the MURA is relying on, and does not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, (C.R.S. § 24 10 101 et seq.,) as from time to time amended, or otherwise available to the MURA.

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 the MURA. Grantee and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the MURA and the 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 the 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 the 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.

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

G. SOFTWARE PIRACY PROHIBITION.

The 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 any extensions, Grantee has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the MURA determines the Grantee is in violation of this provision, the 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 the 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. TABOR.

The Parties agree that the MURA's payment of any monies under this Agreement is subject to annual budget appropriations as required by provisions of the Taxpayers' Bill of Rights ("TABOR") contained in Article X, Section 20 of the Colorado Constitution, as amended. The Parties further agree that any failure to fund the obligations set forth herein as a result of TABOR-related monetary constraints shall not give rise to any legal or equitable cause of action whatsoever.

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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 the MURA is relying their representations to that effect.

THE MONTROSE URBAN RENEWAL AUTHORITY

GRANTEE

By: _____
William E. Bell, MURA Executive Director

By: _____
Rob Mackenzie, Vice President
GCV OZ I, 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, MURA 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,

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

(Seal)

Notary

EXHIBIT A – SITE PLAN