**MONTROSE URBAN RENEWAL AUTHORITY (MURA)**
**BOARD of COMMISSIONERS MEETING**
**Thursday, June 2, 2022 2:00 PM**
City of Montrose Cascade Meeting Room
107 S Cascade Ave, Montrose, CO

# AGENDA

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

2) **THE PLEDGE OF ALLEGIANCE**

3) **ROLL CALL**
- Deputy City Clerk Mikayla Unruh

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**
- Deputy City Clerk Mikayla Unruh

*Action: Consider making a motion to approve the minutes of the March 16, 2022 regular MURA Board meeting as presented.*

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

8) **COLORADO COMMUNITY REVITALIZATION GRANT AGREEMENT**
- Executive Director William Bell

*Action: Consider making a motion to approve a Land Use Restriction Agreement and Grant Contract with Colorado Creative Industries as part of the Colorado Community Revitalization Grant for interior improvements to the Flex Buildings at Colorado Outdoors.*

9) **SHELTER DISTILLING INC. PROJECT DISCUSSION**

A) **Consideration of a Development Agreement**
- Executive Director William Bell

*Action: Consider making a motion to approve an agreement with Shelter QOZB, LLC for development of a new headquarters, manufacturing, and restaurant facility at Colorado Outdoors.*

B) **Project Financing Discussion**
- Executive Director William Bell

10) **SCHEDULE FUTURE MEETINGS**

11) **ADJOURNMENT**

A regular meeting of the Montrose Urban Renewal Authority (MURA) Board of Commissioners was held on Wednesday, March 16, 2022 at 2:00 p.m. in the Centennial Meeting Room, located at 433 S. 1st Street. Said meeting was posted in accordance with the Sunshine Law.

PRESENT: Tad Rowan, Dave Frank, Barbara Bynum, J. David Reed, Brad Hughes, Steve Bush, Executive Director William Bell

ABSENT: Doug Glaspell, Anthony Russo, Mark Plantz

GUESTS: City Engineer Scott Murphy, Business and Tourism Director Lisa Kuczmarski, Deputy City Clerk Mikayla Unruh, Gail Marvel, David Dragoo, Doug Dragoo, Jim Anderson

CALL TO ORDER

The meeting was called to order at 2:01 p.m. by Chairperson Tad Rowan.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

ROLL CALL

Board members Tad Rowan, Dave Frank, Barbara Bynum, J. David Reed, Brad Hughes, Steve Bush, and Executive Director William Bell were present.

Board members Doug Glaspell, Anthony Russo, and Mark Plantz were absent.

CHANGES TO THE AGENDA, INCLUDING ADDITIONS AND DELETIONS

No changes were made to the agenda.

CALL FOR PUBLIC COMMENT

No comments were received.

CONSIDERATION OF MINUTES

The MURA Board considered the minutes the January 19, 2022 regular MURA Board meeting and the January 31, 2022 special MURA Board meeting.

A motion was made by Dave Frank, seconded by J. David Reed, to approve the minutes of the January 19, 2022 regular meeting and the January 31, 2022 special meeting as presented. All voted yes. Motion passed.

TIF EXPENDITURE UPDATE

City Engineer Scott Murphy provided an update on current TIF expenditures within the Colorado Outdoors development.

Mr. Murphy noted that no significant changes have taken place since the last TIF Expenditure Update presented at the January 19 MURA Board meeting. Total expenditures still indicate a cost savings of roughly $375,000 when all approved allocations for current projects have been paid out.

2021 MURA: BASE/INCREMENT & REVENUE CALCULATIONS

Montrose County Assessor Brad Hughes presented an overview of Tax Increment Financing (TIF) as it pertains to Urban Renewal Authorities (URAs) and the Assessor’s role in the taxation process.

Mr. Hughes explained the methodology behind TIF funding, summarized the annual property tax base and increment assessment process in Montrose County, and presented the estimated 2021 net property tax revenues for the Montrose Urban Renewal Authority.

SCHEDULE FUTURE MEETINGS

The next regular meeting of the MURA Board of Directors was scheduled for Wednesday, April 27 at 2:00 pm.

ADJOURNMENT

A motion was made by Brad Hughes, seconded by Doug Glaspell, to adjourn the meeting at 3:16 p.m. with no further action taken. All voted yes. Motion passed.

ATTEST:

____________________________________
Tad Rowan, Chairperson

____________________________________
William E. Bell, Executive Director

**TABLE 1**
**Montrose Urban Renewal Authority**
**Summary of TIF Expenditures to Date**
**Rev. 5/9/2022**

| 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 | $121,881.00 | 7/24/2017 | $146,881.00 | Ecological Resource Consultants | $120,818.52 | $26,062.48 | $25,000.00 | $121,881.00 |
| 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 | $0.00 | | $665,116.82 |
| Fairfield Hotel Horiz. Site Improvements | Savings | | 1/21/2020 | $600,000.00 | LaMont Companies | $0.00 | $600,000.00 | | $600,000.00 |
| 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 Horizonal Site Imp. | 4/7/2021 | $853,935.00 | 4/7/2021 | $853,935.00 | Alcorn Const. | $514,465.32 | $339,469.68 | | $853,935.00 |
| Basecamp Apt. Horiz. Site Imp. | 6/16/2021 | $1,367,000.00 | 6/16/2021 | $1,367,000.00 | Misc. | $618,749.43 | $748,250.57 | | $1,367,000.00 |
| 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 | $0.00 | $1,100,000.00 |
| | **TOTAL** | **$13,005,083** | | | | **$11,725,122** | **$1,713,783** | **$809,588** | **$12,629,316** |

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

Completed lines shaded grey

**TOTAL PROMISSORY NOTES LESS TOTAL ANTICIPATED EXPENSES = $375,766**

**After Recording return to:**
Colorado Creative Industries
C/O Colorado Office of Economic Development and International Trade
1600 Broadway #2500
Denver, CO 80202

# COLORADO COMMUNITY REVITALIZATION GRANT
# LAND USE RESTRICTION AGREEMENT

THIS **LAND USE RESTRICTION AGREEMENT** (this "**Agreement**") is dated as of May 6, 2022, between **MONTROSE URBAL RENWAL AUTHORITY,** a body politic having an address of 433 S. 1st Street, Montrose, CO 81401 ("**Grantee**") and **NMTC at CO QALICB, LLC a** Colorado limited liability company, having an address of PO Box 1267, Montrose, CO 81402 ("**Land Owner**"), and **Colorado Creative Industries C/O Colorado Office of Economic Development and International Trade**, a body politic whose address is 1600 Broadway, #2500, Denver, CO 80202 ("**Grantor**").

## Recitals

Grantor has agreed to make a Grant to Grantee in the amount of Two Million Dollars ($2,000,000) (the "**Grant**"), to be evidenced by the Colorado Community Revitalization Grant Contract of even date herewith made by Grantee to the order of Grantor (the "**Grant Contract**").

As a condition precedent to making the Grant, Grantor requires that Grantee and Land Owner enter into this Agreement.

## Agreement

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce Grantor to make the Grant, Grantee hereby represents, warrants, covenants and agrees with Grantor:

1. **DEFINITIONS**. The following terms, when used in this Agreement (including when used in the above recitals), shall have the following meanings, whether capitalized or not and whether singular or plural, unless, in the context, an incongruity result:

(a) "**Restriction Period**" shall mean the period beginning on the date when this agreement is signed and consisting of the full twenty (20) consecutive years thereafter, subject to the terms of Section 4 herein.

(b) **“Creative Industry”** or “Creative Industries” shall mean designated persons or entities occupying the Project as tenants whose business(es) are used in whole or in part to support the Project as a neighborhood commercial center, including but not limited to those uses enacted by Colorado State Senate Bill 21-252. This may include, but is not limited to, commercial uses, performance spaces, community gathering spaces, child care centers, retail partners, manufacturing, artisans, and restaurants, which are used for the purpose of economic recovery, diversification, and expansion. Creative industry subgroups also include, but are not limited to, design, film and media, literary and publishing, performing arts, visual arts and design, heritage, and culinary. Whether a person or entity qualifies as a Creative Industry shall be broadly construed in favor of inclusion, even if only a portion of the business of the person or entity is considered to be in the Creative Industry.

(c) “**Creative Industry Commercial Units**” shall mean the number of units in the Project designated to be leased only to businesses in the creative industry.

(d) “**Grantee**” means the Grantee identified in the first paragraph of this Agreement and any successors, heirs, and assigns (jointly and severally) of Grantee. “Grantee” shall include any entity taking title to the Property, whether or not such entity assumes the obligations under this Agreement. Grantee may assign this agreement to any qualified future owner of the Project. A qualified future owner shall be determined by Grantor.

(e) **“Land Owner”** means the entity identified as “Land Owner” in the first paragraph of this Agreement.

(f) “**Grantor**” means the entity identified as “Grantor” in the first paragraph of this Agreement.

(g) “**Property**” means the real property described on <u>Exhibit A</u> attached to this Agreement and made a part hereof.

(h) “**Placed into Service**” means that a unit designated as an Creative Industry Commercial Unit to be occupied within the Project, the tenant of such unit has signed the lease, been given the keys, and has met all other conditions such that the Artist tenant has the right to move in.

(i) “**Project**” means the real property to be renovated and operated on the Property, consisting of two Flex Buildings built on the Property, consisting of approximately 55,000 square feet of commercial space, containing 20 commercial units of which 6 units will be designated as Creative Industry Commercial Units in the property known as “Montrose Urban Renewal Authority Flex Building Improvements”.

(j) “**Property Jurisdiction**” is the jurisdiction in which the Project is located.

2. **NONDISCRIMINATION**. Colorado Creative Industries requires recipients of public funds to comply with all state and federal laws and regulations, including but not limited to:

Fair Labor Standards – Meet requirements for minimum wage and working conditions.

Nondiscrimination – Statutes prohibit discrimination on the basis of age, race, sex, color, creed, religion, national origin, sexual orientation, gender identity, ancestry or marital status.

Audit – All applications accepted for funding become official records of the State of Colorado and are subject to an audit. Colorado Creative Industries requires open access to accounting records for award funds spent for the purpose of audit examination, reference, or transcription.

Drug-Free Work Place – Comply to the extent applicable with the Drug-Free Work Place Act of 1988.

Fair Language – To comply with Title VI of the Civil Rights Act of 1964, grant recipients need to take adequate steps to provide language assistance so people with limited English proficiency can meaningfully access programs, activities, and services.

Access for People with Disabilities – Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 prohibit discrimination against people with disabilities. All events funded by Colorado Creative Industries need to be accessible to people with disabilities including visual, hearing, mobility, and learning impairments. If you have questions about the Americans with Disabilities Act, contact Access Gallery at 303-777-0797.

3. **DATA COLLECTION AND REPORTING**. Within one hundred twenty (120) days after the end of each calendar year, Grantee shall provide to Grantor a rent roll summary for the Project certified as complete and accurate by Grantee, which rent roll states with respect to each Creative Industry Commercial Unit in the Project the identity of the Creative Industry Business tenant occupying such unit. In addition to the foregoing, throughout the Restriction Period, Grantee will assist Grantor with information regarding commercial unit occupancy by a creative industry tenant, what type of creative industry the tenant is operating in, and additional data reasonably necessary or desirable to aid Grantor in complying with the data collection and reporting requirements under the regulations governing the Colorado Community Revitalization Grant under CRS, 24-48.5-317.

4. **VIOLATION OF AGREEMENT**. The occurrence of any one or more of the following shall constitute a "Violation" under this Agreement:

(a) Any failure by any party to this Agreement to comply with any of the provisions of this Agreement.

(b) Failure by Grantor to fully fund the entire Grant amount ($2,000,000) in full.

(c) Any fraud or material misrepresentation or material omission by Grantee, any of its officers, directors, trustees, general partners, members, managers or managing agent in connection with (1) any financial statement, rent roll or other report or information provided to Grantor during the term of this Agreement or (2) any request for Grantor's consent to any proposed action for which Grantor's prior written approval is required.

5. **ASSIGNMENT AND ASSUMPTION AND SUBORDINATION**. Grantee may assign this agreement to any qualified future owner of the Project. A qualified future owner shall be determined by the Grantor.

6. Grantor agrees to subordinate this Agreement during the Restriction Period to any other Use Restriction Agreement that is required by HUD, a new Grantor or a State Agency.

7. **SEVERABILITY**. The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portions hereof.

8. **RULES OF CONSTRUCTION**. The captions and headings of the Sections of this Agreement are for convenience only and shall be disregarded in construing this Agreement. Any reference in this Agreement to an "Exhibit" or a "Section" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit attached to this Agreement or to a Section of this Agreement. All Exhibits attached to or referred to in this Agreement are incorporated by reference into this Agreement. Use of the singular in this Agreement includes the plural and use of the plural includes the singular. As used in this Agreement, the term, "including" means "including, but not limited to."

9. **NOTICE**.

(a) All notices, demands and other communications ("**Notice**") under or concerning this Agreement shall be in writing. Each Notice shall be deemed given on the earliest to occur of (i) the date when the Notice is received by the addressee; (ii) the first Business Day after the Notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery, or (iii) the third Business Day after the Notice is deposited in the United State mail with postage prepaid, certified mail, return receipt requested. The term "**Business Day**" means any day other than a Saturday, a Sunday or any other day on which Grantor is not open for business.

(b) Any party to this Agreement may change the address to which Notices intended for it are to be directed by means of Notice given to the other party in accordance with this Section. Each party agrees that it shall not refuse or reject delivery of any Notice given in accordance with this Section, that it shall acknowledge, in writing, the receipt of any Notice upon request by the other party and that any Notice rejected or refused by it shall be deemed for purposes of this Section to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service. If Grantor has not been given Notice of the address of any successors of Grantee or Land Owner, the address of such successor in the real estate tax records of the Property Jurisdiction shall be deemed the address of such successor Grantee or Land Owner.

**GRANTEE:**
Montrose Urban Renewal Authority
P.O. Box 790
Montrose, CO 81401

**LAND OWNER:**
NMTC at CO QALICB, LLC
PO Box 1267
Montrose, CO 81402

**GRANTOR:**
Colorado Creative Industries
C/O Colorado Office of Economic Development and International Trade
1600 Broadway #2500
Denver, CO 80202

10. **CONFLICTS PROVISION**. Grantee shall comply with the requirements set forth in this Agreement as well as any other agreement Grantee enters into with Grantor. However, if a conflict exists between this Agreement and any other Grant Document, the agreement which imposes the more restrictive requirements on Grantee shall control.

[Signature follows]

WITNESS the following duly authorized signature as of the day and year first above written.

**GRANTEE:**

**MONTROSE URBAN RENEWAL AUTHORITY,**
A Body Politic

By: _______________________________
William Bell
Its: Executive Director

STATE OF ____________________

COUNTY OF _________________

The foregoing instrument was acknowledged before me this ____ day of ________ 2022, by William Bell, who is Executive Director of Montorse Urban Renewal Authority, a body politic.

Witness my hand and official seal.

____________________________________
Notary Public

My commission expires ______________________.

**LAND OWNER:**

**NMTC at CO QALICB, LLC,**
A Colorado Limited Liability Company

By: ______________________________
Name:_____________________
Its: _______________________

STATE OF ___________________

COUNTY OF _________________

The foregoing instrument was acknowledged before me this ____ day of _______ 2022, by ____________________________, who is _________________ of NMTC at CO QALICB, LLC, a Colorado Limited Liability Company.

Witness my hand and official seal.

___________________________________
Notary Public

My commission expires _____________________.

**EXHIBIT A**
**DESCRIPTION OF THE PROPERTY**

A portion of:

PARCEL 1:
Lot 25 of Colorado Outdoors Subdivision Amendment No. 2, according to the Plat recorded November 25, 2020 at Reception No. 928644, County of Montrose, State of Colorado

PARCEL 2:
Lot 26 of Colorado Outdoors Subdivision Amendment No. 2, according to the Plat recorded November 25, 2020 at Reception No. 928644, County of Montrose, State of Colorado

**Impact Development Fund**
**200 E. 7th Street, Suite 412**
**Loveland, CO 80537**
**Office: 970-494-2021**
**info@impactdf.org**

# Colorado Community Revitalization Grant Contract

| | |
|---|---|
| **Grantee Name** | Montrose Urban Renewal Authority |
| **Grantee Mailing Address** | 433 S. 1st Street, Montrose, CO 81401 |
| **Grantee Contact Name** | Kendall Cramer |
| **Grantee Phone** | 970-497-8531 |
| **Grantee Email** | kcramer@ci.montrose.co.us |
| **Project Name** | Montrose Urban Renewal Authority Flex Building Improvements |
| **Project Location** | 1101 Mayfly Drive<br>Montrose, CO 81401 |
| **Grant Amount** | $2,000,000 |
| **Repayment Obligations** | None |
| **Funding Date** | May 6, 2022 |
| **Community Revitalization Grant Application #** | CCR21-2405011722 |

# <u>Colorado Community Revitalization Grant Terms</u>

**IDF has received authority to administration of payments and application review/grant underwriting for Community Revitalization Colorado grant program from the Colorado Office of Economic Development and International Trade through the authority of SB21-252. All provisions of the Colorado Special Provisions (Colorado Fiscal Rule 3-3) stated in *"Exhibit A"* apply IDF and to this Grant.**

To assist IDF in administering the Grant to you, you agree to provide upon request all information reasonably deemed necessary by IDF to successfully complete administration of the Grant to you. You authorize IDF to commence Grant administration efforts immediately and agree to actively assist IDF in administering the Grant to you. IDF reserves the right (in consultation with you) to allocate the commitments offered by Community Revitalization Colorado Grant Program.

You hereby agree that IDF shall have the exclusive right to structure, arrange and administer the Grant to you and that no other Grant administrators will be engaged without IDF's prior written consent.

You will make yourself available for meetings with IDF, Community Revitalization Colorado Grant Program and/or their affiliates during the Grant administration process. IDF and Community Revitalization Colorado Grant Program shall be expressly permitted to distribute any and all documents and information relating to the transactions contemplated hereby and received from you or any other source to any potential lender, grant administrator, participant, or assignee on a confidential basis.

In addition to the conditions to funding or closing set forth herein, the Grant award is subject to, among other conditions, (a) IDF and Community Revitalization Colorado Grant Program's satisfactory completion of its final due diligence with respect to your application and Program materials, including the representations made within, (b) the negotiation and execution of any documentation necessary to fulfill this Grant award, (c) there being no material adverse change in your eligibility for the Program (d) there not having occurred a material disruption or material adverse change in the financial, banking or capital markets which, in IDF or Community Revitalization Colorado Grant Program's reasonable judgment, could reasonably be expected to materially impair administration of the Grant.

In the event of a material disruption or material adverse change in the financial, banking or capital markets that could reasonably be expected to materially impair administration of the Grant, you hereby agree to enter into such modifications to the terms of the Grant award as IDF or Community Revitalization Colorado Grant Program may reasonably request as necessary for administering the Grant and, in the event that administration of the Grant shall prove to be impracticable in IDF or Community Revitalization Colorado Grant Program's reasonable determination, such modifications to the Grant award as IDF or Community Revitalization Colorado Grant Program may reasonably request as necessary to make administration of the Grant reasonably practicable.

You hereby represent and covenant that (a) all written information (the "<u>Information</u>") that has been or will be made available to IDF or Community Revitalization Colorado Grant Program by you or any of your representatives (in each case, with respect to Information furnished to IDF or

Community Revitalization Colorado Grant Program prior to the date of commencement of administration of the Grant, as supplemented from time to time prior to such date) is or will be complete and correct in all material respects and does not or will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made and (b) all financial projections ("Projections") that have been or will be made available to IDF or Community Revitalization Colorado Grant Program by you or any of your representatives have been or will be prepared in good faith based upon assumptions you believe to be reasonable (it being understood that the Projections are subject to significant uncertainties and contingencies, many of which are beyond your control, and that no assurance can be given that such Projections will be realized). You understand that in administering the Grant, IDF or Community Revitalization Colorado Grant Program may use and rely on the Information and Projections without independent verification thereof.

In consideration of the execution and delivery of this Grant Contract by IDF and the Grant awarded hereunder, you hereby agree to indemnify, exonerate and hold IDF and Community Revitalization Colorado Grant Program, and each of its officers, directors, employees, affiliates and agents (each an "Indemnified Party") free and harmless from and against any and all actions, causes of action, suits, losses, liabilities, damages and expenses, including attorneys' fees and expenses (including the allocated fees and disbursements of internal legal services) (collectively, the "Indemnified Liabilities"), incurred by the Indemnified Parties or any of them as a result of, or arising out of, or relating to the Grant or other similar transactions financed or proposed to be financed in whole or in part, directly or indirectly, with the proceeds of any of the Grant, or the execution, delivery, performance or enforcement of this Grant Contract, or administering the Grant, by any of the Indemnified Parties, except for any such Indemnified Liabilities arising on account of the applicable Indemnified Party's gross negligence or willful misconduct as determined by a final, non-appealable judgment by a court of competent jurisdiction. If and to the extent that the foregoing undertaking may be unenforceable for any reason, you hereby agree to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. No Indemnified Party shall be liable for any damages arising from the use by others of any information or other materials obtained in connection with this Grant Contract, the Grant or administering the Grant, nor shall any Indemnified Party have any liability with respect to, and you hereby waive, release and agree not to sue for, any special, indirect or consequential damages relating to this Grant Contract or arising out of its activities in connection herewith or therewith (whether before or after administration of the Grant). Your obligations under this paragraph will survive administration of the Grant to you.

Each party acknowledges that this Grant Contract supersedes any and all discussions and understandings, written or oral, between or among you and IDF or Community Revitalization Colorado Grant Program, and any other person as to the subject matter hereof. This Grant Contract may only be amended, waived, or modified in writing and executed by the parties hereto.

The terms contained in this Grant Contract are confidential and, except for disclosure to professional advisors retained by you or as may be required by law or court order, may not be disclosed in whole or in part to any other person or entity without IDF and Community Revitalization Colorado Grant Program's prior written consent; provided that any information with respect to the "tax treatment" or "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4) of the transactions contemplated herein shall not be confidential and each party hereto may disclose without limitation of any kind any information with respect to the “tax treatment” or “tax structure” (in each case, within the meaning of Treasury Regulation Section 1.6011-4). No disclosure permitted above shall create any third-party beneficiary as to the Grant. This paragraph shall survive any termination of this Grant Contract.

You will provide any and all reporting and metrics as required by the Community Revitalization Colorado Grant Program including but not limited to additional sources of capital for project including public and or private, progress reports on project, number of jobs created by project, number of affordable housing units, efficiency upgrades including renewable or clean energy.

This Grant Contract shall be a contract made and governed by the internal laws of the State of Colorado applicable to contracts made and to be performed entirely within such state, without regard to conflict of laws principles.

Each of the parties hereto hereby waives any right to a trial by jury in any action or proceeding to enforce or defend any rights under this grant Contract and agrees that any such action or proceeding shall be tried before a court and not by a jury.

Any litigation based hereon, or arising out of, under, or in connection with this grant Contract, shall be brought and maintained exclusively in the courts of the State of Colorado or in the United States District Court for the 10th Circuit District of Colorado, provided that nothing in this grant Contract shall be deemed or operate to preclude IDF or Community Revitalization Colorado Grant program from bringing suite or taking other legal action in any other jurisdiction. Each party hereto expressly and irrevocably submits to the jurisdiction of the courts of the State of Colorado and of the United States District Court for the 10th Circuit District Court of Colorado for the purpose of any such litigation as set forth above. Each party hereto expressly and irrevocably waives, to the fullest extent permitted by law, any objection which may be now or hereafter have to the laying of venue of any such litigation brought in such court referred to above and any claim that any such litigation has been brought in an inconvenient forum.

Community Revitalization Colorado Grant Program and Impact Development Fund are pleased to have this opportunity and look forward to working with you!

Sincerely,

Connie Ealey

Connie Ealey
Commercial Underwriting and Compliance Manager

Impact Development Fund
P: 970-494-2021 | F: 970-494-2022
Email: connie@impactdf.org

**We, the undersigned Grantee, hereby accept all terms of this Grant Contract with the Colorado Community Revitalization Grant Program, including all terms set forth herein.**

**GRANTEE:**

Montrose Urban Renewal Authority,
a Colorado body politic

By: ________________________________
Tad Rowan
Title: Chairman

# EXHIBIT A

## 1. COLORADO SPECIAL PROVISIONS (COLORADO FISCAL RULE 3-3)

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

### A. STATUTORY APPROVAL. §24-30-202(1), C.R.S.

This Agreement shall not be valid until it has been approved by the Colorado State Controller or designee. If this Agreement is for a Major Information Technology Project, as defined in §24-37.5-102(2.6), then this Agreement shall not be valid until it has been approved by the State's Chief Information Officer or designee.

### B. FUND AVAILABILITY. §24-30-202(5.5), C.R.S.

Financial obligations of the State payable after the current State Fiscal Year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

### C. GOVERNMENTAL IMMUNITY.

Liability for claims for injuries to persons or property arising from the negligence of the State, its departments, boards, commissions committees, bureaus, offices, employees and officials shall be controlled and limited by the provisions of the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S.; the Federal Tort Claims Act, 28 U.S.C. Pt. VI, Ch. 171 and 28 U.S.C. 1346(b), and the State's risk management statutes, §§24-30-1501, et seq. C.R.S. No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, contained in these statutes.

### D. INDEPENDENT CONTRACTOR

Grantee shall perform its duties hereunder as an independent contractor and not as an employee. Neither Grantee nor any agent or employee of Grantee shall be deemed to be an agent or employee of the State. Grantee shall not have authorization, express or implied, to bind the State to any agreement, liability or understanding, except as expressly set forth herein. **Grantee and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Grantee or any of its agents or employees. Grantee shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this Agreement. Grantee shall (i) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (ii) provide proof thereof when requested by the State, and (iii) be solely responsible for its acts and those of its employees and agents.**

### E. COMPLIANCE WITH LAW.

Grantee shall 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.

F. **CHOICE OF LAW, JURISDICTION, AND VENUE.**

Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Agreement. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. All suits or actions related to this Agreement shall be filed and proceedings held in the State of Colorado and exclusive venue shall be in the City and County of Denver.

G. **PROHIBITED TERMS.**

Any term included in this Agreement that requires the State to indemnify or hold Grantee harmless; requires the State to agree to binding arbitration; limits Grantee's liability for damages resulting from death, bodily injury, or damage to tangible property; or that conflicts with this provision in any way shall be void ab initio. Nothing in this Agreement shall be construed as a waiver of any provision of §24-106-109 C.R.S.

H. **SOFTWARE PIRACY PROHIBITION.**

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

I. **EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. §§24-18-201 and 24-50-507, C.R.S.**

The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this Agreement. 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.

J. **VENDOR OFFSET AND ERRONEOUS PAYMENTS. §§24-30-202(1) and 24-30-202.4, C.R.S.**

**[*Not applicable to intergovernmental agreements*]** Subject to §24-30-202.4(3.5), C.R.S., the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: **(i)** unpaid child support debts or child support arrearages; **(ii)** unpaid balances of tax, accrued interest, or other charges specified in §§39-21-101, *et seq.*, C.R.S.; **(iii)** unpaid loans due to the Student Loan Division of the Department of Higher Education; **(iv)** amounts required to be paid to the Unemployment Compensation Fund; and **(v)** other unpaid debts owing to the State as a result of final agency determination or judicial action. The State may also recover, at the State's discretion, payments made to Grantee in error for any reason, including, but not limited to, overpayments or improper payments, and unexpended or excess funds received by Grantee by deduction from subsequent payments under this Agreement, deduction from any payment due under any other contracts, grants or agreements between the State and Grantee, or by any other appropriate method for collecting debts owed to the State.

K. **PUBLIC CONTRACTS FOR SERVICES. §§8-17.5-101, *et seq.,* C.R.S.**

***[Not applicable to agreements relating to the offer, issuance, or sale of securities, investment advisory services or fund management services, sponsored projects, intergovernmental agreements, or information technology services or products and services]*** Grantee certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this Agreement and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this Agreement, through participation in the E-Verify Program or the State verification program established pursuant to §8-17.5-102(5)(c), C.R.S., Grantee shall not knowingly employ or contract with an illegal alien to perform work under this Agreement or enter into a contract with a Subcontractor that fails to certify to Grantee that the Subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement. Grantee **(i)** shall not use E-Verify Program or the program procedures of the Colorado Department of Labor and Employment ("Department Program") to undertake pre-employment screening of job applicants while this Agreement is being performed, **(ii)** shall notify the Subcontractor and the contracting State agency or institution of higher education within three days if Grantee has actual knowledge that a Subcontractor is employing or contracting with an illegal alien for work under this Agreement, **(iii)** shall terminate the subcontract if a Subcontractor does not stop employing or contracting with the illegal alien within three days of receiving the notice, and **(iv)** shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to §8-17.5-102(5), C.R.S., by the Colorado Department of Labor and Employment. If Grantee participates in the Department 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 Department program. If Grantee fails to comply with any requirement of this provision or §§8-17.5-101, *et seq.*, C.R.S., the contracting State agency, institution of higher education or political subdivision may terminate this Agreement for breach and, if so terminated, Grantee shall be liable for damages.

L. **PUBLIC CONTRACTS WITH NATURAL PERSONS. §§24-76.5-101, *et seq.*, C.R.S.**

Grantee, if a natural person 18 years of age or older, hereby swears and affirms under penalty of perjury that Grantee **(i)** is a citizen or otherwise lawfully present in the United States pursuant to federal law, **(ii)** shall comply with the provisions of §§24-76.5-101, *et seq*., C.R.S., and **(iii)** has produced one form of identification required by §24-76.5-103, C.R.S. prior to the Effective Date of this Agreement.

# BETTER TOGETHER

COLORADO OUTDOORS LLC WESTERN SLOPE

The public/private partnership at Colorado Outdoors has had immense community impact, including a **multi-phase, multi-million dollar river restoration project** on the Uncompaghre River.

## COMMUNITY IMPACT BY THE NUMBERS

**1.8**
million square feet of land donated for conservation and open space

**200+**
new jobs created in Montrose and surrounding areas

**$65M**
in new private investment

**$4M**
in grant money to build new trails and spaces for creative industries

Join the movement at **coloradooutdoors.co**

Colorado Outdoors Medical Center · Wedge Brands · Montrose Anglers · Fairfield by Marriott · Mayfly Outdoors · airflo · Marriott · Montrose Recreation District · Abel · Secret Creek · Basecamp Apartments + Homes · Maslow Academy of Applied Learning · Trattoria di Sofia

# SHELTER DISTILLING

**PROJECT VISION:**

Shelter Distilling will add an additional anchor partner to the Colorado Outdoors project on the banks of the Uncompahgre River. Shelter's high-end, modern distillery will offer guests the opportunity to spend a day or an evening overlooking the river while enjoying a tour, live music, event, gastropub food and libations. The company's vision includes:

- World-Class Distillery, Brewery and Restaurant
- Production capabilities to service a Western United States customer base
- Centralized operational center that creates a must visit experience for both consumers and craft distillery followers
- Become entrenched in the local community and support outdoor recreational opportunities
- Create good-paying jobs for the Montrose community

**SIZE/LOCATION**: MURA Phase I Lot 17 (TBD Mayfly Drive) with a lot size of 1.62 acres. Indoor/outdoor space including a 15,000 square feet building with 24,000 square feet of total production space.

**PROJECT TYPE:** Distillery and brewery with capabilities of delivering 25,000 cases of spirits and 2,500 barrels of beer annually. Gastropub restaurant, cocktail bar, and event space with a 300-person capacity.

**OWNER:** Shelter Distilling, Inc. as owner operator

**FINANCING:** Privately funded

**CURRENT LAND STATUS:** Closed into escrow

**ESTIMATED COST OF CONSTRUCTION/VALUATION:** $13.1 Million

**PROPOSED MURA TIF ANTICIPATORY LOAN:** Up to $700,000 for Horizontal Site Improvements

**ANTICIPATED TIF REVENUES:**

**Sales Tax Projection through 2042 ---------------- $2,260,269**

**Meals Tax Projection through 2042 ---------------- $511,211**

**Real Property Tax Projection through 2042 ----- $1,647,708**

**TOTAL TIF REVENUE: $4,419,188**

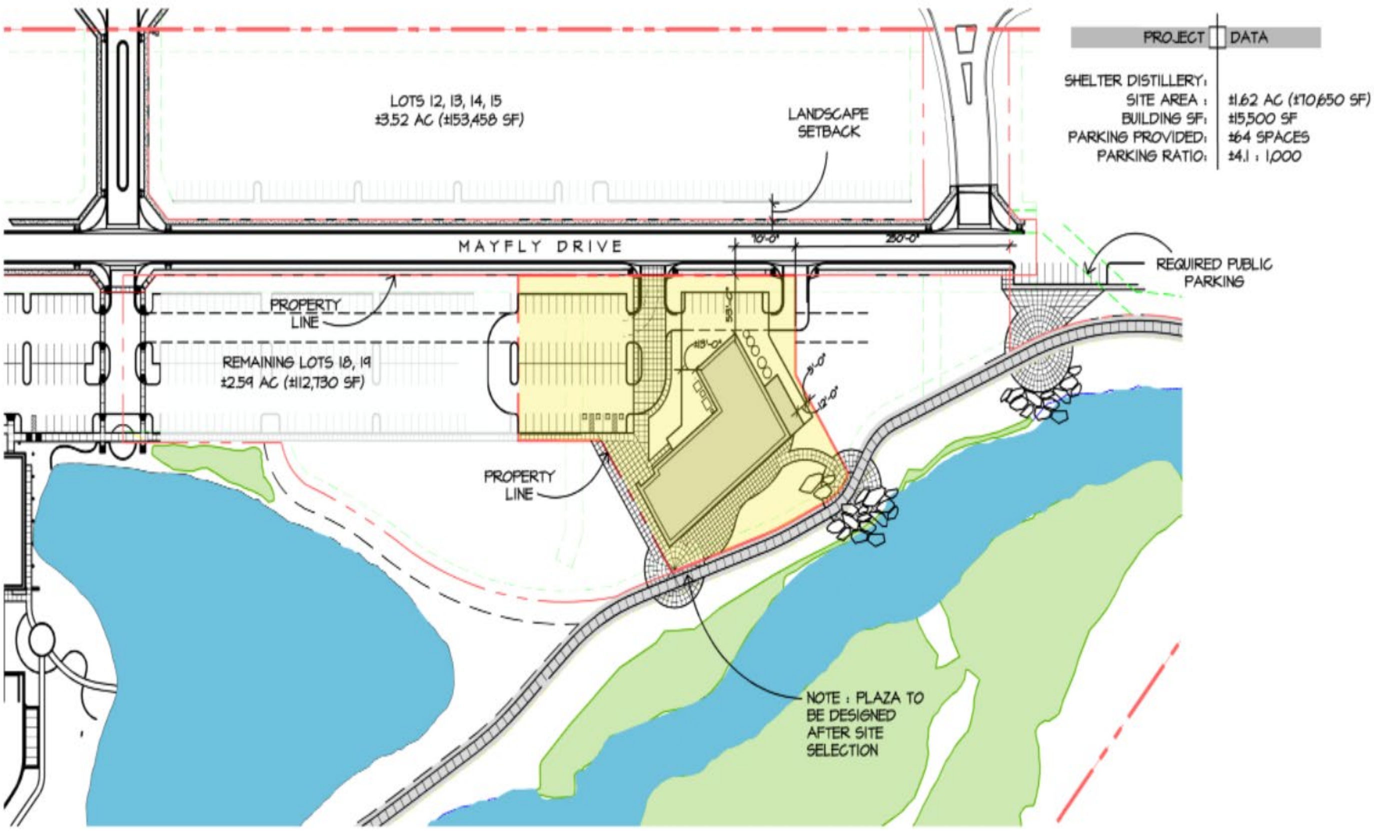
**IMPLEMENTATION TIMELINE:** Opening Winter 2023

**JOB CREATION:** Company owners, brewers, warehouse teams and brand managers. Approximately 22 Full Time and 35 Part Time jobs by the end of 2025. The average annual wage is approximately $49,184, not including benefits.

**OTHER PARTNERS**: State of Colorado EDC: $292,763 Job Growth Incentive Tax Credit approved in the Fall of 2021

**PROJECT LOCATION:**

Just south of the existing Mayfly building and north of 9th Street:



Montrose Urban Renewal Authority
Development Agreement
With
Shelter QOZB, LLC

TABLE OF CONTENTS



**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 Shelter QOZB, LLC whose address is 2140 South DuPont Highway, Camden, DE 19934 (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 Effective Date, 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.

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 Grantee to commit to the location and construction of Shelter QOZB, LLC property 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 March 1, 2024 unless sooner terminated or further extended as specified elsewhere herein. Grantee shall obtain a building permit, signifying the beginning of work, no later than December 31, 2022.

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, 2023. Grantee shall obtain a building permit, signifying the beginning of work, no later than December 31, 2022. MURA shall not be liable to compensate Grantee for any Work performed after the termination of this Grant.

B. Property

The Shelter QOZB, LLC manufacturing/restaurant building and adjoining facilities will be constructed within the MURA Phase I Lot 17 (TBD Mayfly Drive) with a lot size of 1.62 acres. Indoor/outdoor space including a 13,500 square-foot building with 24,000 square feet of total production space.

C. Horizontal Site Infrastructure Improvements

MURA agrees to provide up to $700,000.00 in support of horizontal site improvements to include items such 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 $700,000.00 in total from MURA, based on supporting invoices from contractors performing the work and mutually-agreed-upon unit prices for eligible improvements. Expenses associated with vertical building construction are not eligible for reimbursement.

D. In exchange for receiving development assistance as set forth above, Grantee makes the following commitments to the City: Grantee will construct indoor/outdoor space including a 13,500 square-foot building with 24,000 square feet of total production space for purposes of providing the Montrose community with a distillery and brewery with capabilities of delivering 25,000 cases of spirits and 2,500 barrels of beer annually, and a gastropub restaurant, cocktail bar, and event space with a 300-person capacity. The project will be located in Colorado Outdoors within MURA Phase I Lot 17 (TBD Mayfly Drive) with a lot size of 1.62 acres, with an estimated construction value of thirteen million one hundred thousand dollars ($13.1 million). The construction is anticipated to be completed on or before December 31, 2023.

**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 bycertified 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 tothe e-mail addresses, if any, set forth below. Either Party may from time to time designate bywritten 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: Christopher Dowsey, Assistant City Attorney or Current City Attorney
433 S. 1st Street
Montrose, CO 81401
Ph: (970) 240-1440
Email:
cdowsey@cityofmontrose.org

B. Grantee:

Jason Senior
Karl Anderson
Matt Hammer
Shelter QOZB, LLC
2140 South DuPont Highway
Camden, DE 19934
Ph: (760) 965-6554
Email: jason@shelterdistilling.com

**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

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.

**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**

**By:** ______________________________

William E. Bell, MURA Executive Director

**GRANTEE**

**By:** ______________________________

Jason Senior, Co-owner
Shelter QOZB, LLC

______________________________

Karl Anderson, Co-owner

Shelter QOZB, LLC

______________________________

Matt Hammer, Co-owner

Shelter QOZB, 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 ________________ )
) ss.
County of ______________ )

The foregoing instrument was acknowledged before me this______day of________, 20___, by Jason Senior of Shelter QOZB, LLC.

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

(Seal) ________________________________
Notary

State of ________________ )
) ss.
County of ______________ )

The foregoing instrument was acknowledged before me this______day of________, 20___, by Karl Anderson of Shelter QOZB, LLC.

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

(Seal) ________________________________
Notary

State of ________________ )
) ss.
County of ______________ )

The foregoing instrument was acknowledged before me this______day of________, 20___, by Matt Hammer of Shelter QOZB, LLC.

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

(Seal) ________________________________
Notary