**AGENDA**
**CITY OF LARAMIE, WYOMING**
**CITY COUNCIL SPECIAL MEETING AND WORK SESSION**
**CITY HALL**
**SEPTEMBER 13, 2016 6:00 pm**

*City Council Meetings are open to the public. Requests for accommodations from persons with disabilities must be made to the City Manager's Office 24 hours in advance of a meeting.*

## 1. SPECIAL MEETING

### 1.A. Resolution 2016-63, authorizing the submittal of a Business Ready Community to support the construction of a second facility for HIVIZ and approving the Project Development Agreement [Jordan, CM]

Documents:

Cover Sheet ~ Resolution and PDA~HIVIZ II.pdf
RESOLUTION ~ HIVIZ II.pdf
HiViz PDA Agreement 9-2016.pdf
Exhibit A-HiViz Lease Agreement.pdf
Exhibit 1 - HiVizAssumptionsFinal.pdf
Exhibit 2 - Salary and job information SS 07272016.pdf
Exhibit B - HiVizRecapture.pdf
HiViz II Section VII Budget Information Sheet.pdf

### 1.B. Adjournment

## 2. WORKSESSION

### 2.A. Public Comments

### 2.B. WORK SESSION: Fluoridation of Drinking Water [Smith, PW Dir]

Documents:

Coversheet Fluoridation.pdf
CDC Memo Attachment B.pdf

### 2.C. WORK SESSION: Wyoming Business Council Sponsored Trip to the National Main Street Conference Update.

### 2.D. City Council Updates/Council Comments

### 2.E. Agenda Review

### 2.F. Public Comments

# CITY OF LARAMIE COUNCIL REGULAR MEETING September 6, 2016

| | |
|---|---|
| | **Agenda Item:** Grant<br><br>**Title:** Resolution authorizing the submittal of a Business Ready Community application to the Wyoming Business Council to support the construction of a second facility for HIVIZ in the Laramie River Business Park, II and approving the Project Development Agreement between the City of Laramie, Laramie Chamber Business Alliance and HIVIZ. |

**Recommended Council MOTION:** Move to Approve Resolution 2016 -63 authorizing the filing of an application by the City of Laramie, Wyoming with the Wyoming Business Council for a Business Ready Community Grant and Loan Program, Business Committed grant award in an amount not to exceed $3,000,000 and approve the Project Development Agreement between the City of Laramie, Laramie Chamber Business Alliance and HIVIZ and authorize the Mayor and Clerk to sign.

**Administrative or Policy Goal:** Pursue economic development at Cirrus Sky Tech Park and throughout the community; Strengthen relationships with other community partners (LCBA); In-fill Redevelopment.

**Background:** Established in 1996, HIVIZ specializes in the research, design, engineering, and production of sights and recoil pads for the firearms industry. Demand for HIVIZ products has increased steadily every year since 2009. In 2013, HIVIZ determined that Laramie offered the best business environment to facilitate its continued growth and began working closely with the Wyoming Business Council and Laramie Economic Development Corporation to plan its relocation from Fort Collins, CO. That effort resulted in a grant-loan hybrid awarded to the City of Laramie via the Business Ready Community program to fund the construction of a new headquarters on Laramie Chamber Business Alliance-owned land in the Laramie River Business Park, II. The approximately 20,000 s.q. foot building was completed in March 2015 and HIVIZ started leasing the building in April 2015. LCBA has been collecting lease revenues since HVIZ's occupancy, and in accordance with an adopted revenue reinvestment and recapture plan, will use those proceeds to repay the City of Laramie's loan from the Wyoming Business Council. Once the loan is repaid, LCBA will use remaining income from lease payments (and eventual sale proceeds) will be used to support its operations and economic development initiatives, including continued development at the Cirrus Sky Technology Park.

At the time of the submittal of the original Business Ready Community application, HIVIZ had planned to create 24 new full time jobs in Laramie with by 2018 and to invest an estimated $200,000 in machinery and equipment for the new building. To date, HIVIZ has actually created 42 jobs in Laramie and invested millions of dollars machinery and equipment. Wages paid by HIVIZ exceed the median wage for Albany County. HIVIZ now plans to grow its local labor force to 86 employees by 2020 and to invest millions more in machinery and equipment. HIVIZ's steeper than anticipated growth trajectory is due in large part to a number of innovations and opportunities, including the acquisition of an Arizona-based metal injection molding company, which combined, have increased its sales, broadened its customer based, and placed HIVIZ ahead of its competitors.

A consequence of this growth, however, has been that HIVIZ has maximized the entirety of its existing building, which was designed for an employee base of roughly half of its existing workers and a fraction of the equipment and machinery. In order to accommodate existing and planned growth, HIVIZ needs to move forward on long range plans to develop a "campus" more quickly.

***Grant Overview*:** The purpose of the second BRC, Business Committed application is to construct a second building for HIVIZ adjacent to its existing building in the Laramie River Business Park, II. The

20,000 square foot building will house new workers, machinery, and equipment. The total grant request is estimated to be $3,000,000. HIVIZ and LCBA will provide the 5% match, of which half ($75,000, approximately) will be cash and the remaining half with be in-kind. HIVIZ has hired an architect to develop preliminary cost estimates and designs for the second building. That expense along with additional cash and in-kind contributions will cover HIVIZ's portion of the match. LCBA's match will constitute the difference between the original value of the land on which the HIVIZ "campus" is being developed and the current value. An appraisal of the property is in progress. As of this date, the exact amount of the HIVIZ and LCBA match is still being determined. No loan is being requested. Additionally, no City of Laramie funds will be used as the match for this grant or toward any portion of this project, however, a significant amount of staff time will be invested in the preparation of the grant application, construction management, and grant administration. The City of Laramie will also pay all construction invoices and seek reimbursement from the Wyoming Business Council.

If council authorizes the application, then it will be submitted September 15, 2016. A preliminary funding decision will be made by the Wyoming Business Council during its December 2016 meeting and a final funding decision will be made by the State Loan and Investment Board during its January 2017 meeting.

***Project Development Agreement (PDA):*** *The attached PDA is subject to HIVIZ and LCBA approval. Missing attachments are forthcoming from LCCBA and will be forwarded to council on receipt. Additionally, any substantive changes will be forwarded to council in advance of consideration.* The PDA outlines individual roles and responsibilities in pursuing the grant award, meeting match obligations, achieving substantial completion within one year of executing a grant agreement, etcetera. The City will own the building during the construction, and upon achieving substation completion and certificate of occupancy, will transfer ownership to the Laramie Chamber Business Alliance (LBCA). Then, as detailed in Lease/Purchase Agreement (attached to the PDA), HIVIZ will lease the building from LCBA at fair market with discounts based on job creation, and within 10 years, HIVIZ purchase the building. At this time, the Lease/Purchase agreement between LCBA and HIVIZ contemplates the purchase price to mirror the grant award (estimated to be $3 million) less 75% of lease payments made by HIVIZ. LCBA will return 25% of net lease and sale proceeds to the Wyoming Business Council and the remaining balance will be reinvested into operations and economic development activities.

**Legal/Statutory Authority:** The City of Laramie is a qualifying applicant and this is an allowable project.

## BUDGET/FISCAL INFORMATION:

**REVENUE**

| Source | Amount | Type |
|---|---|---|
| Fees/Charges for Service | | |
| Grants for Projects | $3,000,000.00 | This is an estimate. The final award is TBD. |
| Loans on Project | | |
| Other | | |
| Total | $3,000,000.00 | |

**EXPENSE**

Proposed Project Cost.

| Project Budget | | Amount | Funds |
|---|---|---|---|
| Project Cost | | $3,150,000.00 | This is an estimate. The final cost is TBD. |
| Loans on Project | | | |
| Grants for Project | | $3,000,000.00 | This is an estimate. The final award is TBD. |
| Other/Outside Projects | | $150,000.00 | This is an estimate. The HVIZ/LCBA match is TBD. |
| City's Amount | | $0.00 | |
| Contingency | 0% | $0.00 | |
| Total Amount | | $3,150,000.00 | |

Amount spent to date (approved and adopted by Council)

| Budget | Amount | Funds |
|---|---|---|
| Total Budget Allocation | | |
| Less Amount Spent to Date | | |
| Remainder of Budget | $0.00 | |

Proposed Cost (Approval of this item authorizes preparation of a budget revision for the proposed amount)

| Expenditures | Amount | Fund |
|---|---|---|
| Proposed Expenditure | | |
| Current Budget | | |
| Additional Amount Requested | | |
| Total Proposed Budget | $0.00 | |

**Responsible Staff:**

Future dates are subject to change

| | |
|---|---|
| Work Session | Click here to enter a date. |
| | |
| Advertised | Click here to enter a date. |
| Public Hearing (PH) Held | Click here to enter a date. |
| PH Advertised | Click here to enter a date. |
| Introduction/1st Reading | Click here to enter a date. |
| 2nd Reading | Click here to enter a date. |
| 3rd Reading | Click here to enter a date. |
| | Click here to enter a date. |

Attachments:

Resolution and PDA

# RESOLUTION 2016-63

## RESOLUTION AUTHORIZING THE FILING OF GRANT APPLICATION BY THE CITY OF LARAMIE, WYOMING WITH THE WYOMING BUSINESS COUNCIL (WBC) FOR A BUSINESS READY COMMUNITY PROGRAM (BRC), BUSINESS COMMITTED AWARD IN AN AMOUNT NOT TO EXCEED $3,000,000 TO BE USED FOR THE CONSTRUCTION OF A SECOND BUILDING FOR HIVIZ IN THE LARAMIE RIVER BUSINESS PARK, II

**WHEREAS**, the City of Laramie entered into a successful partnership with the Laramie Chamber Business Alliance (LCBA) and HIVIZ in 2013 to secure a grant-loan hybrid via the Business Ready Communities program to facilitate the relocation of HIVIZ from Fort Collins, CO to Laramie through the construction of a 20,000 square foot building on LCBA-owned land located within the Laramie River Business Park, II;

**WHEREAS**, that building, which was completed in March 2015 and occupied by HIVIZ in April 2015, was designed to house a workforce of 24 workers planned to be employed by 2018, and an estimated $200,000 in equipment and machinery;

**WHEREAS,** due in large part to a number of innovations and opportunities, including the acquisition of a metal injection molding company, HIVIZ has significantly increased its sales, broadened its customer based, and moved ahead of its competitors;

**WHEREAS**, as a result of this growth, HIVIZ's current employee base is 42 workers and its investment in machinery and equipment have exceed a million dollars;

**WHEREAS**, the company now estimates its local workforce will exceed 80 employees by 2020;

**WHEREAS**, HIVIZ has maximized its existing facility and needs additional space for current and future workers, equipment, and machinery;

**WHEREAS** working in collaboration with the LCBA, HIVIZ has determined a second Business Ready Community grant is its best option to aid in growth;

**WHEREAS**, HIVIZ and LCBA will fund the entirety of the cash and in-kind match;

**WHEREAS,** the City of Laramie will not commit any funds toward the match for this grant or for any portion of this project, however, the City will make a significant investment of staff hours and municipal resources in the project management, administration, and oversight;

**WHEREAS**, additionally, the City of Laramie will pay all construction invoices from this project and then seek reimbursement from the Wyoming Business Council;

**WHEREAS**, in addition to the job creation noted above this project will result in a steady revenue stream to the LCBA provided by lease and eventual sale income paid by HIVIZ;

**WHEREAS**, if awarded, Laramie City Council authorizes City Manager, Janine Jordan, to execute routine grant related documents and paperwork, such as draw-down request, quarterly reports, etcetera.

**WHEREAS**, the City of Laramie held a public hearing on September 6, 2016 and receive no comments;

**NOW THEREFORE THE CITY COUNCIL OF LARAMIE, WYOMING, RESOLVES**:

**Section 1.** That the foregoing recitals are incorporated in and made a part of this resolution by this reference.

**Section 2.** That the City of Laramie apply for a Business Ready Community, Business Committed grant award from the Wyoming Business Council in an amount not to exceed $3,000,000 to support the construction of a second building for HIVIZ

**Section 4.** That if awarded, Laramie City Council authorizes City Manager, Janine Jordan, to execute routine grant related documents and paperwork, such as draw-down request, quarterly reports, etcetera.

PASSED, APPROVED, AND ADOPTED THIS 6th day of August, 2016.

| | |
|---|---|
| _____ | _____ |
| **ATTEST** | **MAYOR** |
| _____ | |
| **CITY CLERK** | |

# *CITY OF LARAMIE – LCBA – HIVIZ*
# HIVIZ PHASE II EXPANSION AND
# PROJECT DEVELOPMENT AND ADMINISTRATION AGREEMENT

THIS HIVIZ Phase II Expansion and PROJECT DEVELOPMENT AND ADMINISTRATION AGREEMENT (herein called the "Agreement") is made and entered into by and between the **City of Laramie**, a Wyoming municipal corporation and political subdivision of the State of Wyoming (herein "City"), the **Laramie Chamber Business Alliance**, a Wyoming non-profit corporation and statutorily-authorized community development organization (herein "LCBA"), the **Laramie Economic Development Corporation**, a Wyoming non-profit corporation and statutorily-authorized community development organization, as its interest appears (herein "LEDC"), and **North Pass, Ltd.**, a Colorado corporation doing business as HIVIZ Shooting Systems (herein "HIVIZ").

## RECITALS

WHEREAS, City, LEDC and HIVIZ are parties to that certain Project Development and Administration Agreement (the "PDA") dated July 16, 2013;

WHEREAS, HIVIZ is a tenant in a building owned by LEDC, located at 620 Adams Street, Laramie, Wyoming, 82070, legally described as being located on Block 7, Lot 1A, Laramie Rivers Business Park, a subdivision of the City of Laramie, Albany County, Wyoming;

WHEREAS under the PDA LEDC contributed up to five (5) acres of the total 7.27 acres of land located at Block 7, Lot 1A of the Laramie Rivers Business Park II for the construction of the facility constructed pursuant to the PDA;

WHEREAS, under the PDA, the City, LEDC and HIVIZ constructed an office building and production facility on the land and in the building owned by LEDC, and HIVIZ now houses its business operations in said building;

WHEREAS, HIVIZ has satisfactorily performed on its Phase I economic development goals and employment objectives;

WHEREAS, HIVIZ has been so successful with its business operations located in Laramie, Wyoming that it now needs additional building space in which to expand its operations;

WHEREAS, the LEDC is now a member of the LCBA, and while LEDC continues its existence with respect to the HIVIZ PDA, the LCBA provides the primary services in relation to economic development activities in Laramie, Wyoming and Albany County, Wyoming;

WHEREAS, HIVIZ intends to invest in new equipment and labor to continue growing its business which will require additional space for expansion;

WHEREAS, HIVIZ, the City and LCBA have begun discussions and negotiations concerning the possible arrangement of another project development agreement to be funded in part by the Wyoming Business Council, with such arrangement to be referred to herein as the "Second Project";

WHEREAS, HIVIZ intends to invest in new equipment and labor to continue growing its business which will require additional facilities to support he business expansion;

WHEREAS, the City of Laramie will apply for a Wyoming Business Committed Grant (the "Grant") from the Wyoming Business Council ("WBC") and will distribute or spend the money from that Grant pursuant to the terms of that Grant according to Wyoming state law and pursuant to the terms of this Agreement, to allow for the construction of a building and necessary infrastructure for the Second Project;

WHEREAS, LEDC has agreed to contribute the remaining 2.27 acres of the 7.27 acres of real property in the City of Laramie, Albany County, Wyoming owned by LEDC for purposes of allowing HIVIZ to construct a second facility on said real property;

WHEREAS, HIVIZ is the business committed with respect to the above-described Grant, HIVIZ has committed to building the Second Project ("the Facility") on the LEDC Property;

WHEREAS, HIVIZ was founded in 1995, with production beginning in June of 1996, upon the idea of developing fiber optics in a user friendly gun sight system. In 1996, HIVIZ started production with one magnetic sight for ventilated ribs and one snap-on sight for plain barrel shotguns, and now has over 150 light gathering (fiber optic) and 6 night (tritium) sights for shotguns, rifles, and handguns. Sights are utilized by shooters to acquire their target faster, thus being able to shoot more accurately. HIVIZ's recoil pads for long guns are top of the line for reducing felt recoil.

HIVIZ manufacturing methods for constructing its product include plastic injection molding, metal injection molding, and Computer Numerical Control (CNC) machining. The means of plastic injection molding allows HIVIZ to create various shapes, retention features, and sizes in its light pipes, thus being able to accommodate all classes of shooters. HIVIZ has the largest selection of fiber optic and night shotgun and handgun sights currently on the market.

As of mid-2016 HIVIZ and its affiliated company Snowy Range Manufacturing, LLC, employs 42 full time employees and 1 part time employee. HIVIZ has a number of new products that are currently in the development stage, and feels that it will steadily be increasing its employee base over the next couple of years, with the expectation that HIVIZ will add 86 to its current employee base by 2020.

Being a leader in the sight industry, HIVIZ is regularly solicited for product donations for many of the shooting competitions across the country. In 2015, over 100 donations were made to various individuals and competitions. Based on market data supplied by the various print media organizations, in 2016 HIVIZ will have in excess of 50 million consumer impressions, and

5 million dealer impressions. HIVIZ has a 2016 paid pro-staff of 6, and another 8 that are paid on wins only. This staff includes Jerry and Kaye Miculek, Max Michel, Lena Miculek, Cory Cogdell (US bronze medal winner of Rio Olympic Games), all are well respected and well known in the shooting industry. HIVIZ also attends a multitude of trade shows, both National and International; through all those shows they will be seen by more than 150,000 participants.

WHEREAS, City of Laramie and LCBA are aware that the construction and operation of the expansion Facility would further promote the sound economic growth of the City of Laramie and Albany County, Wyoming area through, among other things, the creation of more new jobs, further enhancement and improvement of the tax base, and creation of other resources in Albany County, Wyoming area, all of which constitute a public purpose;

WHEREAS, City will be the Grant applicant to the WBC, but LCBA will actively participate in the Second Project. It is of a definable benefit to the City in the savings of City resources, and reasonably necessary to City of Laramie, based upon the expertise of LCBA and given that LEDC is the legal owner of the real property upon which the Facility will be constructed, that both LCBA and LEDC participate in the administration of the project in full cooperation with the City;

WHEREAS, it is in the best interests of all parties that this PDA be entered into to provide for the pursuit and acquisition of funds necessary for the Second Project; and

**NOW, THEREFORE**, for and in consideration of the foregoing recitals and promises set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree that the existing PDA is amended as follows:

## 1. PROJECT DESCRIPTION

The Facility will consist of new construction of an approximate **20,000** square foot code-compliant building with 15,000 square feet of production space, 3,000 square feet of improved office space, 2,000 square feet of warehouse space and associated infrastructure, for leasing and eventual sale to HIVIZ from LEDC/LCBA. The design and development of the Project and the construction thereof will be funded by the Grant. Total costs for the Second Project are budgeted at $3.0 million. The parties intend to apply to the WBC for the full cost of the Second Project to be awarded in Grant monies. The terms and requirements of the Grant are by this reference incorporated herein.

HIVIZ has already selected a qualified design firm to develop schematic designs (SDs) for the Second Facility project expected to fall below the available WBC Grant funds. Subject to concurrence by the Wyoming Business Council, all costs incurred by HIVIZ in connection with the development of the SDs shall be considered part of HIVIZ'S cash match. The final construction design (CD) costs together with all costs of construction, including construction management, shall be paid with available WBC Grant funds. Unless otherwise agreed to by the City, the Selection Committee shall competitively award contracts, including design, and construction services considering quality, cost and schedule. The parties anticipate the use of the

Construction Manager at Risk (CMAR) delivery system with a Guaranteed Maximum Price. Preconstruction services providers may, or may not, continue to contract for construction as determined by the City. The total preconstruction services, including design, along with cost of construction shall never exceed the available WBC Grant funds unless paid for and approved by HIVIZ as hereinafter provided. The CMAR contract shall provide for contingencies approved by the City. The contingencies may be used for the Facility construction costs only if approved by the City in advance, which approval will be provided only if it is satisfied that the Facility will be completed with the available WBC Grant plus other funds committed from HIVIZ as hereinafter provided.

A 6-member Selection Committee composed of two individuals from the LCBA, two individuals from the City of Laramie, and two individuals from HIVIZ shall select a qualified design and construction firm to develop plan and specifications for the construction of the Project and the Facility in accordance with City of Laramie procurement policies. Each entity shall appoint two members as the voting members for all Selection Committee decisions requiring a vote or approval of the Committee (total of six (6) voting members). Except as provided herein, a majority vote is required for all decisions and/or approvals requiring a vote.

Following execution of this Agreement, the Selection Committee shall have an initial meeting to review the Project and establish a schedule for regular meetings for the purpose of reviewing and discussing the Project status and any issues impacting the progress of the Project including conflicts, delays, and their causes and potential claims. Following execution of this Agreement and within 45 days following execution of grant agreement with the Wyoming Business Council, the Selection Committee shall select a design and construction firm (CMAR) to finalize plans and specifications for the construction of the Project (the "Preliminary Plans") in accordance with the specifications and criteria set forth on Exhibit "C" attached hereto (the "General Specifications"), together with a budget showing that the Project will be completed in accordance with such Preliminary Plans at a cost not to exceed the amount of the Grant. Upon the Selection Committee's completion and final approval of the construction drawings and specifications (the "Final Plans") and the budget (the "Final Budget"), all parties shall be responsible for constructing the Project in accordance with the Final Plans and the Final Budget. Thereafter, the Project Administration Committee will see the project through to completion as described below.

The Project Administration Committee, comprised on one member from each entity totaling three (3) voting members to serve as the decision making body for the Project with strict adherence to the requirements of the Wyoming Business Council grant and loan program and all State and City procurement and other legal obligations. This Project Administration Committee shall meet weekly during the course of this project to manage the Project, to review payouts and draws, and to review and approve any changes to the Project that may arise. Through the city's designated project manager, the Project Administration Committee shall direct the conduct of the Project in all respects. The city's designated project manager shall manage the day-to-day

operations and report to the Project Administration Committee weekly, or as special circumstances may require.

In the event the three members of the Project Administration Committee cannot agree on a decision then a vote of the majority of the Project Administration Committee shall govern so long as the vote is not in conflict with the requirements of the Wyoming Business Council grant and loan program and all State and City procurement and other legal obligations. If the contested decision requires construction work or materials outside the original contract scope and above and beyond the Guaranteed Maximum Price, written cost responsibility for same will have to be accepted by all parties prior to such work commencing.

After the CMAR is selected and provides the parties a binding Guaranteed Maximum Price, all parties hereto agree that HIVIZ will be responsible for the cost of any change orders that it requests to the Second Project and/or the Facility that increase the cost of the Second Project beyond the Final Budget to be paid for by the WBC Grant.. If there are cost overruns that somehow properly exceed the WBC Grant amount, it is agreed that HIVIZ will bear the cost of any such amounts (subject to the possibility of HIVIZ applying for a loan from LCBA's revolving loan fund or funding such cost with a loan from a private lender). If HIVIZ does not wish or cannot cover costs in excess of the WBC Grant amount, then the project shall be scaled back value engineered to so the completion will occur the available WBC Grant amount. Under no circumstances will the City agree to pay for any construction cost not covered by the WBC Grant. All costs incurred by HIVIZ in connection with its participation in the Second Project shall be considered part of HIVIZ's cash match, subject to concurrence by the Wyoming Business Council.

## 2. OBLIGATIONS OF PARTIES:

2.A. LCBA, and LEDC as its interests may appear, shall coordinate with the City in all phases of Grant management and assist with the administration of the Second Project, including, without limitation, construction of the Facility by designating an individual to serve on the Project Administration Committee. In this capacity, LCBA and other parties as shown shall, among other things perform as necessary the following tasks to manage and construct the Project:

2.A (i). LCBA shall obtain all necessary zoning, subdivision, land development and building permits and approvals necessary to develop the Second Project (collectively, the "Development Approvals") from the City. The cost of such permits shall be borne by the CMAR or by HIVIZ, but if paid by HIVIZ the costs shall be considered to be part of HIVIZ'S cash match for the Second Project, subject to concurrence by the Wyoming Business Council.

2.A (ii). LCBA/LEDC shall work in collaboration with the City through the Selection Committee and the Project Administration Committee. The City shall achieve Substantial Completion of the Project (as hereinafter defined) on or about September 17, 2017 or twelve (12) months from the date on which the WBC and

the City of Laramie execute the Grant agreement (the "Completion Date"), whichever is later. To the extent the Project experiences delays in achieving Substantial Completion by said date, an extension of the Substantial Completion deadline will be made when the delay is caused by weather, acts of God, labor strikes or shortages, change orders to the Second Project, fire, flood, unusual delays in deliveries, unavoidable causalities or other causes beyond its control, then the date for Substantial Completion shall be extended by the length of time of the delay in question. The Second Project shall be deemed to be substantially completed ("Substantially Completed" or "Substantial Completion") on the day when all of the following have occurred:

(a) The Facility has been completed in accordance with the Final Plans and all applicable laws, rules and regulations, except for minor "punch list" items, the completion or repair of which will not interfere with HIVIZ's use and occupancy of the Second Project and Facility, and in accordance with, the Lease & Purchase Agreement;

(b) the Facility is available for HIVIZ to utilize for its intended purpose without material interference with HIVIZ'S business activities by reason of completion of the City's work, including (without limitation), by reason of completion of "punch list" items;

(c) LCBA, and/or LEDC, as its interest may appear, shall have obtained and delivered to HIVIZ a copy of a certificate of occupancy relating to the Second Project issued by the City, which certificate of occupancy shall be of the type customarily issued by City and which is adequate to permit HIVIZ to legally occupy the Second Project and the Facility for its intended purposes (the "Certificate of Occupancy"); and

(d) LCBA and HIVIZ shall have completed a joint inspection of the Second Project and have:

(i) confirmed in writing that the Second Project has been completed in accordance with the Final Plans, except for minor "punch list" items, and

(ii) compiled a written list of minor "punch list" items that do not interfere with HIVIZ'S business activities (the "Punch list Items"). LCBA shall cause all contractors and subcontractors to complete all punch list items no later than sixty (60) days after the date of Substantial Completion unless a delay prevents completion within 60 days.

(e) Neither LCBA nor HIVIZ shall undertake any material modification to the Facility without approval of the City during the WBC recapture period.

2.A (iii). LCBA shall keep separate and complete accounting records of transactions relative to the WBC Grant during the recapture period and any other accounting or audit period applicable to the WBC Grant.

2.A(iv) Except as provided in the Agreement, HIVIZ shall be responsible for the required WBC contribution of five percent (5.0%) towards the cost of the Second Project anticipated to be $150,000. HIVIZ shall be entitled to any credit for the value of the land contributed by LCBA/LEDC as allowed and approved by the WBC. Any required cash contribution required by the WBC above and beyond the cost of SDs paid by HIVIZ and LEDC/LCBA's land contribution shall be the sole responsibility of HIVIZ. HIVIZ shall be entitled to apply all its costs incurred as part of the Second Project to satisfy any match obligation for the Second Project, subject to Wyoming Business Council concurrence.

2.A(v) LEDC has enacted the attached resolution so as to irrevocably commit to pledge a portion of its real property for use for construction of the Facility, subject to the contingencies of obtaining WBC funding for the Grant and full completion of the Second Project and the Facility.

2.A(vi) The parties hereto agree that LCBA and/or LEDC will return to the WBC a total of twenty-five percent (25%) of all net revenues realized from the LEDC/LCBA lease to HIVIZ and HIVIZ'S eventual purchase of the Facility from LEDC, subject to WBC rules and regulations.

The parties agree that they shall mutually endeavor to acquire the maximum amount of funding in the form of a Grant from the WBC as is possible. The parties intend to apply to the WBC for full funding for the Second Project and the Facility in the Grant application. Should the WBC not award the City full Second Project construction costs and monies in and by the Grant, LEDC/LCBA and HIVIZ shall seek to endeavor acquisition of the remaining monies necessary for funding the Second Project by a loan either from the LCBA revolving loan fund or a private lender, subject to the terms described herein. In the event of change orders or cost overruns, the parties shall first draw down and exhaust any WBC Grant funds awarded before incurring additional indebtedness in the form of an outside loan.

The parties recognize that the obligations and responsibilities herein are expressly contingent upon the Second Project being fully funded and should a Grant with the WBC to fully fund the Second Project not be possible and HIVIZ cannot obtain (or chooses not to obtain a private loan with manageable terms and conditions), then any party hereto shall have the option to be relieved of all of

their/its responsibilities hereunder. If any party hereto determines not to proceed due to lack of full funding, then the remaining parties shall not be under any obligation to proceed with the Second Project except as those remaining parties may mutually agree.

2.A (vii). All parties hereto will participate in weekly meetings between representatives of all parties, along with designated City staff, the purpose of which is to keep all parties informed of all matters regarding the Second Project and the Facility.

2.A (viii). LCBA and LEDC, in a timely fashion, shall provide to the City complete documentation needed to complete all reporting requirements for the Grant as requested, including but not limited to publishing notices, submitting reports and the prompt submission of reimbursement of Grant eligible expenditures to the City and provide all receipts and documentation necessary to satisfy the Grant agency.

2.A (ix). Subject to completion of construction, and satisfaction of the Grant terms and approval by the City, LEDC and/or LCBA shall enter into a ten (10) year Lease & Purchase Agreement with HIVIZ in a form substantially as set forth on Exhibit "A" hereto, for the continued operation and maintenance of the Property and Facility, said lease to charge a basic monthly rental amount as set forth by Exhibit "A," and with the conditions of purchase of the Property and Facility in accordance with the terms of Exhibit "A." Lease agreement payments will be utilized by LCBA to cover any ownership and property management costs. Any additional monies remaining after ownership and property management costs and Loan repayment costs, including any purchase monies acquired by LCBA upon sale by LCBA to HIVIZ, shall be used by LCBA in accordance with the Revenue Recapture Plan attached herein as Exhibit "B."

2.A (x). LCBA agrees that it shall not dissolve or cause the dissolution of its corporate charter and community development organization status during the reporting period and term of the WBC Grant. Specifically, LCBA shall maintain its current non-profit corporate and community development organization status for purposes of the Project. In the event LCBA fails to maintain its corporate charter, dissolves, or fails to maintain its status as an economic development organization pursuant to the provisions of Wyoming Statute § 9-12-301, et seq. the City shall have the right to declare a breach of the agreement and require that LCBA remedy such breach by restoring the charter of LCBA or assigning its obligations under this Agreement to another qualified community development organization. In the event of a failure by LCBA to cure any such breach within thirty (30) days of receipt of notice and opportunity to cure, then title to the Property, whether real, personal or mixed, shall be transferred to the City upon demand. LCBA shall comply with the demand for transfer within 30 days after the cure period expires. Any transfer of the Property by LCBA to the City in

accordance with the terms of this paragraph shall not affect HIVIZ rights under this Agreement or Exhibit "A."

2.A.(xi) Upon completion of the Grant, LCBA shall provide evidence and testimony regarding satisfaction of the Grant terms and the economic benefits and economic development impacts provided to the community by HIVIZ.

2.B. LEDC contributed five (5) acres to the construction of the Phase I Facility. LEDC shall contribute an additional 2.27 acres of real property (the "Property") located at the Laramie Rivers Business Park II in Laramie, Wyoming for construction of the Phase II Facility. As a result, between projects 1 and 2, LEDC shall have contributed the entirety of the real property located at Block 7, Lot 1A of the Laramie Rivers Business Park II toward the recruitment of HIVIZ's Phase I and Phase II projects. The value of the additional Property has been determined by a commercial real estate appraisal. In addition, the original land value originally pledged for the Phase I Project now has a substantially higher appraised value. The value of the additional Property as well as the increased in equity resulting from the original five acres will serve as the in-kind contribution may be used for purposes of obtaining the Grant. An appraisal is attached hereto and incorporated herein by this reference. The result of such appraisal shows an increase between the original land value and the newly appraised value of $0.16 per square foot.

2.C In performance of its obligations under this Agreement, LCBA and LEDC shall, as is reasonably practicable under the circumstances, conform its conduct so that the City can meet its statutory obligations in relation to obtaining and carrying out the Grant.

2.D. LCBA shall comply with any other term, responsibility, acknowledgment, duty or obligation of LCBA as may otherwise be specifically stated and provided for or contained within this Agreement herein.

2.E. LCBA and LEDC shall agree to City of Laramie audits of all applicable project related records as requested.

**3. POTENTIAL RESTRUCTURE OF LOT CONFIGURATION.** All parties shall endeavor after completion of the Facility to consider a potential division of land and facilities to provide for: (1) the separation of the First and Second Projects, and (2) the potential for constructing and funding additional projects in the future. Any such endeavor between the parties to consider a potential division of the land and facilities shall in no way obligate any of the parties to actually effect the division of the land and facilities and any such land division must be approved by all Parties hereto. Any such discussion and consideration between the parties shall acknowledge and account for the City's mortgage on the entirety of the 7.27 acres which is a result of Phase I development. It is contemplated by the Parties, for example, that the Property could be divided through condominium ownership, allowing each of the First Project and Second Project facilities to be treated as separate units of ownership. The parties would create up to four

additional units for future projects. All facilities would be supported by common areas to include parking and landscaping. In such event, the First Project unit would be encumbered by the First Project Grant/Loan, the Second Project unit would be encumbered by the Second Project Grant, and additional land units would be available for future potential facilities. All land and lot units would be for the exclusive growth of HIVIZ affiliates.

**4. NO OTHER MODIFICATION OR AMENDMENT**. Except as set forth herein, the PDA dated July 16, 2013 between the parties thereto shall stand in full force and effect and shall govern all other terms and conditions of the Second Project, the construction of the Facility, and post-construction operation and management of the Facility.

DATED AND EFFECTIVE this ___ day of September, 2016.

**CITY OF LARAMIE, WYOMING**

Date: _____

By: _____
Dave Paulekas, Mayor

(SEAL)

Attest:

_____
Angie Johnson, City Clerk

**LARAMIE CHAMBER BUSINESS ALLIANCE**

Date: _____

By: _____
Nancy Stutzman, Chair of the Board

Date: _____

By: _____
Jamie Harris, CEO
for Jamie Harris:
Josh Boudreau; V.P. of Economic Development

Attest:

_____
Amy Shoales, Secretary of the Board

**HIVIZ**

Date: 9/9/16

By: _____
Phil Howe, North Pass, Ltd., President & CEO

## *INDEX OF ATTACHED AND INCORPORATED EXHIBITS*

| EXHIBIT | DESCRIPTION |
|---|---|
| A | Lease & Purchase Agreement |
| B | Revenue Recapture Plan |
| C | Facility Preliminary Plans & Estimated Project Budget |
| ~~D~~ | ~~Final Budget (to be attached after the CMAR is selected)~~ |
| ~~E~~ | ~~Job & Wealth Creation~~ |
| ~~F~~ | ~~Operations & Maintenance Plan~~ |
| ** | ** Grant Documents |

# EXHIBIT A TO PHASE II EXPANSION AND PROJECT DEVELOPMENT AGREEMENT-- 2016 LEASE AND PURCHASE AGREEMENT

THIS 2016 LEASE AND PURCHASE AGREEMENT is made and entered into by and between the Laramie Chamber Business Alliance, a Wyoming non-profit corporation and statutorily-authorized community development organization ("LCBA") and North Pass, Ltd., a Colorado corporation doing business as HIVIZ Shooting Systems ("HIVIZ"). To the extent the City of Laramie is referenced herein, it shall be referred to as ("City").

**WITNESSETH:**

WHEREAS, LEDC is the owner of the owner of Lot 1A , Block 7, Laramie Business Park II to the City of Laramie, Albany County, Wyoming, consisting of approximately 7.27 acres of land. LEDC contributed five (5) acres of the total 7.27 acres for Phase 1 of the HIVIZ project. LEDC agrees to contribute the remaining 2.27 acres of the total available acreage consisting of presently undeveloped parts of Lot 1A for separate leasing to HIVIZ as provided herein. LCBA, in work with City and HIVIZ, will construct a production and warehouse building on the area to be contributed and leased ("THE PREMISES") to meet the purposes proposed by HIVIZ in accordance with the AMENDMENT TO: PROJECT DEVELOPMENT AND ADMINSTRATION AGREEMENT ("PDA") executed contemporaneously herewith;

WHEREAS, HIVIZ desires to lease THE PREMISES for use as a facility for its manufacturing and warehouse operations;

WHEREAS, the parties desire to enter into a lease and purchase agreement defining the rights, duties and liabilities relating to THE PREMISES and the responsibilities between the parties; and

WHEREAS, THIS AGREEMENT is specifically contingent upon the same, terms, contingencies and understandings as stated in the PDA.

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

## SECTION ONE: DEFINITIONS

1.1 As used in this Lease and Purchase Agreement:

a) "THIS 2016 AGREEMENT" "THIS AGREEMENT" or the "AGREEMENT" shall be used to refer to this 2016 Lease and Purchase Agreement;

b) "THE FACILITY" shall be used to refer to the construction of a building and necessary infrastructure located on approximately (2.27) acres of land located at Block 7, Lot 1A of the Laramie Rivers Business Park II in the City of Laramie, State of Wyoming, which is presently owned by LEDC;

c) "RENOVATION ACTIVITIES" shall be used to refer to all unnecessary alterations, betterments, additions, renovations and reconstruction of or to THE PREMISES, or any part thereof, of any

kind or nature whatsoever;

d) "LEASE YEAR" or similar words shall be used to refer to a period of twelve (12) full consecutive calendar months;

e) "LEDC" shall be used to refer to Laramie Economic Development Corporation, a Wyoming non-profit corporation and statutorily authorized community development organization. LEDC shall be considered to be a party hereto as the owner of the real property in question;

f) "NECESSARY REPAIRS" shall be used to refer to all necessary replacements, maintenance, repairs and alterations;

g) "THE PREMISES" shall be used to refer to the above-described real property consisting of approximately 2.27 acres within Lot 1A, to be identified by the parties before construction of new improvements contemplated herein, and THE FACILITY described below in ¶ 2.1;

h) "PDA" or "PROJECT DEVELOPMENT AND ADMINISTRATION AGREEMENT" shall be the full and final executed Amendment To: Project Development and Administration Agreement between the parties.

**SECTION TWO: SUBJECT AND PURPOSE**

2.1 LCBA and LEDC agree to lease THE PREMISES to HIVIZ with the intent of a future sale of THE PREMISES to HIVIZ. The FACILITY is reflected on the preliminary sketch plan attached as Exhibit "A" and further described as follows:

> 20,000 square foot metal building with approximately 15,000 square feet of production/manufacturing space and 3,000 square feet of improved office space, and 2,000 square feet of warehouse space, along with associated site work located at and on approximately 2.27 acres of land located at Block 7, Lot 1A of the Laramie Rivers Business Park II in Laramie, Wyoming, to be identified by the parties prior to construction.

2.2 THE PREMISES shall be used and occupied as a product development, manufacturing, assembly, and shipping center for HIVIZ'S products and for no other purpose without the written consent of LCBA and LEDC. If, in the opinion of LCBA, THE PREMISES, or any part thereof, are not being used in the usual and legitimate manner in the conduct of such business, LCBA may give HIVIZ written notice requiring HIVIZ to terminate such improper use within thirty (30) days thereafter. A failure to comply with such request shall constitute a breach of THIS AGREEMENT.

**SECTION THREE: TERM AND LEASE**

3.1 Subject to acquisition of the Grant described in the Project Development and Administration Agreement and timely completion of THE FACILITY in accordance therewith, LCBA and LEDC hereby lease THE PREMISES to HIVIZ for a term of ten (10) years, commencing on the latter of September 1, 2017 or the day after the date upon which the City issues a Certificate of Occupancy for THE PREMISES. The annual lease amount shall be as provided for in the attached Exhibit "1" hereto. All lease payments required herein are payable in advance on the first day of each month during the term of THIS AGREEMENT. No party

hereto has the right to extend the lease term; any extension shall be only by mutual agreement of all parties hereto.

3.2 Additionally, the base annual lease amount as described herein is contingent upon HIVIZ employing, maintaining and increasing full-time employment and cumulative payroll in accordance with the projections and timelines/years as provided for and outlined by the attached Exhibit "2."

In the event HIVIZ fails to meet the payroll projections contained in Exhibit "2" hereto by the end of Lease Year three as described in Exhibit "2", the annual lease amount will be adjusted upwards by LCBA and LEDC, to take effect at the beginning of the next annual lease year. In such event, the annual rental amount shall increase by the difference between the rent shown in Exhibit "1" and fair market rental value for THE PREMISES as determined by the average of the opinions of two Wyoming-licensed real estate brokers. The brokers shall provide their opinions within thirty (30) days after LCBA gives notice that the annual rental amount will be adjusted due to failure of HIVIZ to meet the requirements shown on Exhibit "2." Said fair market rental value shall be determined by the average of the opinions of the two Wyoming-licensed general real estate brokers, one to be selected by LCBA and the other to be selected by HIVIZ. However, the upward adjustment in the annual rent shall take into account the percentage by which HIVIZ did not meet the job creation and payroll projections figure shown in Exhibit "2" by applying a direct inverse adjustment, to wit: if HIVIZ'S failure to meet the figures in Exhibit "2" is off by fifty percent, then the rent will be adjusted upward by fifty percent of the difference between the rent for THE PREMISES under the rent schedule shown in Exhibit 1 and fair rental value of THE PREMISES as determined by the real estate brokers, plus the scheduled rental amount shown in Exhibit 1. For illustration purposes only, assume that fair market rental value is determined to be $15.00 per square foot, the scheduled rent is $4.50 per square foot, and HIVIZ misses its job growth projections by 50%. The rent would be adjusted to $9.75 per square foot determined as follows: $15.00-$4.50= $10.50*50% = $5.25+$4.50 = $9.75.

3.3 All lease payments shall be made by HIVIZ to LCBA without notice or demand, at such place as LCBA may from time to time designate. The extension of time for the payment of any lease amount, or acceptance by LCBA in any manner other than herein specified, shall not be a waiver of the rights of LCBA to insist on having all other lease payments made in the manner and at the time specified.

3.4 No payment by HIVIZ or receipt by LCBA of a lesser amount than herein stipulated in THIS AGREEMENT shall be deemed other than a payment on account of the earliest payment due, nor shall any endorsement or statement on any check or on any letter accompanying any check or lease payment be deemed an accord and satisfaction, and LCBA may accept such check or payment without prejudice to LCBA'S rights to recover the balance of the payment due or to pursue any other remedy provided for in THIS AGREEMENT.

3.5 All charges, costs and expenses which HIVIZ is required to pay hereunder, together with all interest and penalties that may accrue thereon in the event of HIVIZ'S failure to pay such amounts, and all damages, costs and expenses which LCBA may incur by reason of any default of HIVIZ, or failure on HIVIZ'S part to comply with the terms of THIS AGREEMENT, shall be deemed to be in addition to the base lease amount, and, in the event of non-payment by

HIVIZ, LCBA and LEDC shall have the rights and remedies with respect thereto as LCBA and LEDC have for the non- payment of any lease payment.

3.6 All payments required herein shall be paid on or before the respective date specified. Any payment not paid within five (5) days of when due shall be subject to a late fee equal to five percent (5%) of the payment then due, as additional rent under Wyoming law for use and occupancy of the premises without timely payment of rent.

**SECTION FOUR: TAXES**

4.1 All real property taxes shall be paid by LCBA. HIVIZ shall be responsible for the total of all personal property taxes levied against it for any other fixtures or equipment placed by it on THE PREMISES.

**SECTION FIVE: UTILITES**

5.1 During the term of THIS AGREEMENT, HIVIZ shall pay for all utility services, including telephone, internet, security, heat, water, natural gas, electricity, sewer usage, trash pick-up and the like, with all such services to be billed directly to HIVIZ.

5.2 LCBA shall not be liable for damages or otherwise for any failure to furnish or interruption in the supply of any utilities desired by HIVIZ. In the event HIVIZ shall install any equipment requiring additional utilities, the cost of installation for any such utility transmission lines, cables, hoses, pipes or receptacles for the same shall be at HIVIZ'S expense, with such installation first being approved by LCBA, which approval shall not be unreasonably withheld.

5.3 In the event HIVIZ shall require any additional service lines, wiring, piping, security devices, cooling or any other modifications to the utility services located on THE PREMISES, all design and installation must be approved in advance by LCBA or LCBA'S agents, which approval shall not be unreasonably withheld.

**SECTION SIX: INSURANCE**

6.1 Subject to reimbursement by HIVIZ, LCBA and/or LEDC shall keep THE FACILITY of which THE PREMISES are a part, insured against loss or damage by hazards, fire, lightning or the elements to the extent of the full insurable value thereof, including all products of approved RENOVATION ACTIVITIES made by either party hereto and which have become a part of THE FACILITY as set forth herein.

6.2 HIVIZ shall obtain and maintain insurance on the personal property placed on THE PREMISES at the expense of HIVIZ. LCBA and LEDC shall have no responsibility for the loss of any personal property of HIVIZ maintained on THE PREMISES.

6.3 HIVIZ, at HIVIZ'S own expense, agrees to maintain at all times during the term of THIS AGREEMENT and during any use, occupancy or possession of THE PREMISES prior to the commencement of the term of THIS AGREEMENT, public liability and property damage insurance, providing for minimum coverage limits of not less than One Million Dollars

($1,000,000.00) for injury or death to any one person and not less than Two Million Dollars ($2,000,000.00) in the aggregate for injury or death occurring to more than one person as the result of one accident and not less than Two Hundred Fifty Thousand Dollars ($250,000.00) for property damage which may occur as a result of HIVIZ'S use of THE PREMISES. Such insurance policies shall be in the form commonly known as "Commercial General Liability." HIVIZ further agrees to indemnify and hold LCBA and LEDC harmless from all claims for personal injuries, death and property damage which occur as the result of HIVIZ'S use of THE PREMISES, in and about THE PREMISES, or which result from any work done in and about THE PREMISES by HIVIZ or any of its agents, representatives, employees or contractor.

6.4 All insurance required by THIS AGREEMENT shall be obtained from a company approved by LCBA, and a certificate evidencing the issuance of such policy or policies, together with evidence of the payment of premiums, shall be delivered to LCBA before the commencement of the term of THIS AGREEMENT.

6.5 Not less than thirty (30) days prior to the expiration of any insurance policy required of HIVIZ under the terms of THIS AGREEMENT, HIVIZ shall deliver to LCBA evidence of renewal of such policy or policies or a new certificate, together with evidence of the payment of premiums for the renewal, or new policy, as the case may be. All such insurance required herein shall contain an agreement by the insurance company that the policy or policies will not be canceled or the coverage changed without ten (10) days prior written notice to LCBA and LEDC.

6.6 The liability insurance policy/policies required under the terms of THIS AGREEMENT shall name LCBA, LEDC and CITY as additional insureds.

## SECTION SEVEN: REPAIR, MAINTENANCE & RENOVATION ACTIVITIES

7.1 Upon completion of the construction proposed in the Project Development Agreement executed contemporaneously herewith, and the acceptance of THE PREMISES by HIVIZ, it agrees to accept THE PREMISES in their present condition "as is, where is" without calling upon LCBA or LEDC to make any further expenditures or to perform any work for the preparation of THE PREMISES for HIVIZ'S intended use.

7.2 HIVIZ shall not order RENOVATION ACTIVITIES or allow or permit RENOVATION ACTIVITIES to be performed on THE PREMISES, THE FACILITY, or any part thereof, except by and with the prior written consent of LCBA and LEDC, which consent shall not be unreasonably withheld. All RENOVATION ACTIVITIES performed shall be made in accordance with all applicable laws and shall at once when made or installed be deemed to have attached to THE PREMISES and to become the property of LCBA/LEDC and shall remain for the benefit of LCBA and LEDC until purchase in full of THE PREMISES by HIVIZ from LCBA and LEDC. In the event LCBA and LEDC consent to any such RENOVATION ACTIVITIES as herein provided, HIVIZ shall indemnify and hold LCBA harmless from all expense, liens, claims or damages to either persons or property arising out of or resulting from the undertaking of RENOVATION ACTIVITIES.

7.3 In the event HIVIZ requests any RENOVATION ACTIVITIES or any other modifications to THE PREMISES, all design and renovation must be approved in advance by LCBA and LEDC or their designated representative.

7.4 HIVIZ shall indemnify and hold LCBA and LEDC harmless against any and all bills for labor performed and equipment, fixtures and materials furnished to or for the benefit of HIVIZ in connection with said work as aforementioned and against any and all liens, bills or claims therefore or against THE PREMISES and from and against all loss, damages, costs, expenses, suits, claims and demands whatsoever.

7.5 HIVIZ will not permit any mechanic's lien, materialman's lien or other lien to stand against THE PREMISES or THE FACILITY for work or material furnished to or for the benefit of HIVIZ, provided that HIVIZ shall have the right to contest the validity of any lien or claim if HIVIZ shall first have posted a bond pursuant to Wyoming law in the amount of 150% of the lien claim, so as to insure that upon final determination of the validity of such lien or claim, that HIVIZ and/or the bond shall immediately pay or satisfy any judgment rendered against HIVIZ with all proper costs and charges and shall have such lien released without cost to LCBA and LEDC.

7.6 Any and all RENOVATION ACTIVITIES shall be performed in a workmanlike manner and shall not weaken or impair the structural strength or lessen the value of THE PREMISES, THE FACILITY or change the purpose for which THE PREMISES, THE FACILITY or any part thereof, may be used.

7.7 Should any governmental agency, bureau, division or otherwise require RENOVATION ACTIVITIES to THE PREMISES and/or THE FACILITY, pertaining to HIVIZ'S use of thereof, such RENOVATION ACTIVITIES shall be promptly constructed by HIVIZ, at HIVIZ'S sole cost and expense, upon first contacting LCBA and LEDC for approval.

## SECTION EIGHT: REPAIRS

8.1 HIVIZ shall keep THE PREMISES in a clean and operational condition and shall repair, maintain and replace all parts of THE PREMISES and THE FACILITY, including but not limited to the heating, air conditioning, electrical, water, sewer and lighting systems and shall maintain THE FACILITY and all systems in good condition. HIVIZ shall provide all incidental items necessary for operation, repair, maintenance, and replacement of THE PREMISES and THE FACILITY. HIVIZ shall further be responsible for and shall repair any damage done to THE FACILITY occasioned or caused by HIVIZ or its agents, representatives, employees, contractors, guests or invitees.

8.2 LCBA or LEDC may enter THE PREMISES at any and all reasonable hours to inspect THE PREMISES and attendant systems to insure that all NECESSARY REPAIRS and maintenance functions are being performed.

8.3 All maintenance and repairs made by HIVIZ shall be at least equal in quality and class to the original work.

## SECTION NINE: UNLAWFUL OR DANGEROUS ACT1VITY

9.1 HIVIZ shall neither use nor occupy THE PREMISES, or any part thereof, for any unlawful or dangerous purpose, nor operate THE PREMISES or conduct business in a manner constituting a nuisance of any kind. HIVIZ shall immediately, upon discovery of any unlawful, dangerous use or nuisance, take action to halt such activity.

9.2 HIVIZ shall comply with all laws, regulations, licensing requirements, and customs and practices in the industry related to the use and/or storage of any hazardous material, of any nature including regulated materials, that it brings onto THE PREMISES. HIVIZ shall be responsible for any increased insurance costs attributable to the use or storage of any hazardous material. HIVIZ hereby agrees to indemnify, defend and hold LCBA harmless against any claim or cause of action arising from or through the use of any hazardous material used or stored on THE PREMISES and/or THE FACILITY by HIVIZ.

9.3 HIVIZ and HIVIZ'S employees or agents shall refrain from smoking inside the building on the PREMISES and otherwise comply with any relevant regulations of the Laramie Municipal Code.

## SECTI0N TEN: INDEMNITY

10.1 HIVIZ shall indemnify and save LCBA, LEDC and the CITY harmless against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from any work, activity or thing whatsoever done by or on behalf of HIVIZ, in or about THE PREMISES and/or THE FACILITY, and shall further indemnify and save LCBA/LEDC harmless against and from any and all claims arising from any breach or default on the part of HIVIZ in the performance of any covenants or agreement on the part of HIVIZ to be performed, pursuant to the terms of THIS AGREEMENT, or arising from any act or negligence of HIVIZ, or any of HIVIZ'S agents, contractors, servants, employees or licensees, and from and against all costs, legal fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought therein; and, in case any action or proceeding be brought against LCBA or LEDC by reason of any such claim, HIVIZ, upon notice from LCBA, LEDC or the CITY, hereby covenants to resist or defend, at HIVIZ'S expense, such action or proceeding.

## SECTION ELEVEN: DEFAULT OR BREACH

11.1 In the event of any failure of HIVIZ to pay any lease, purchase or other sums when due hereunder, or HIVIZ'S default in performing any of the other terms, conditions or covenants of THIS AGREEMENT to be observed or performed by HIVIZ, for more than thirty (30) days after notice of such default shall have been given to HIVIZ (or other length of time if specified herein to the contrary) or, if HIVIZ shall suffer THIS AGREEMENT or the rents due hereunder to be taken or levied under any writ of execution, then LCBA and/or LEDC, besides other rights or remedies they shall have the right to terminate THIS AGREEMENT and to initiate legal action to remove HIVIZ and HIVIZ'S personal property from THE PREMISES.

11.2 If LCBA/LEDC, without terminating THIS AGREEMENT, either:

a) Elects to attempt to re-let; or

b) Takes possession pursuant to legal proceedings; or
c) Takes possession pursuant to any notice provided by law,

then LCBA or LEDC may undertake such RENOVATION ACTIVITIES and/or NECESSARY REPAIRS as may be needed in order to re-let THE PREMISES or any part thereof for such term or terms (which may be for a term extending beyond the term of THIS AGREEMENT) and at such lease or leases and upon such other terms and conditions as LCBA and/or LEDC in their sole discretion may deem advisable. Upon such re-letting, all lease payments received by LCBA/LEDC from such re-letting shall be applied:

a) First, to the payment of any indebtedness other than lease payments due hereunder from HIVIZ to LCBA, including but not limited to the costs, expenses and legal fees necessary to re-possess THE PREMISES;
b) Second, to the payment of any costs and expenses of such re-letting, including but not limited to brokerage fees and attorney's fees;
c) Third, to the payment of lease payments due and unpaid hereunder, and
d) Finally, the residue, if any, shall be held by LCBA and applied to payment of future lease payments as the same may be due and payable hereunder.

If such payments received from such re-letting during any month be less than that to be paid during that month by HIVIZ hereunder, HIVIZ shall pay any such deficiency to LCBA. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of THE PREMISES by LCBA shall be construed as an election on LCBA'S part to terminate THIS AGREEMENT unless a notice of such intention is given to HIVIZ or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without termination, LCBA and/or LEDC may at any time thereafter elect to terminate THIS AGREEMENT for such previous breach. Should they at any time terminate THIS AGREEMENT for any breach, in addition to any other remedies LCBA and LEDC may have, LCBA and LEDC may recover from HIVIZ all damages they may incur by reason of such breach, including the cost of recovering THE PREMISES, including reasonable attorney's fees. If THIS AGREEMENT is terminated then HIVIZ is relieved from the requirement to pay rent from the date of any notice of termination forward.

11.3 In addition to any other remedies LCBA and LEDC may have at law or equity and/or under THIS AGREEMENT, HIVIZ shall pay upon demand all of LCBA'S and LEDC'S legally-allowable costs, charges and expenses, including reasonable legal fees, fees of agents and others retained by LCBA or LEDC, incurred in connection with the recovery of sums due under THIS AGREEMENT, whether any suit be filed or not, or because of the breach of any covenant under THIS AGREEMENT, or for any other relief against HIVIZ. In the event either party shall bring any action against the other party for relief hereunder, the unsuccessful party shall pay the other party's reasonable attorney's fees and all court costs.

11.4 If HIVIZ shall become bankrupt or file any debtor proceedings, or take or have taken against HIVIZ, in any court pursuant to any statute either of the United States or of any state, a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of HIVIZ'S property, or, if HIVIZ makes an assignment for the benefit of creditors or petitions for or enters into such an arrangement, then and in that event THIS AGREEMENT shall, at the option if LCBA and/or LEDC, be canceled and terminated,

and any party claiming on behalf of HIVIZ shall not have any rights whatsoever under THIS AGREEMENT without further order of a court of competent jurisdiction.

11.5 No waiver of any covenant or condition or of the breach of any covenant or condition of THIS AGREEMENT shall be taken to constitute a waiver of any subsequent breach of such covenant or condition nor to justify or authorize the non-observance of any other occasion of the same or of any other covenant or condition hereof. Nor shall the acceptance of lease payments by LCBA, at any time when HIVIZ is in default under such covenant or condition hereof, be construed as a waiver of such default or of LCBA'S right to terminate THIS AGREEMENT on account of such default. Nor shall any waiver or indulgence granted by LCBA/LEDC to HIVIZ be taken as an estoppel against LCBA/LEDC, it being expressly understood that if, at any time HIVIZ shall be in default in any of its covenants or conditions hereunder, an acceptance by LCBA/LEDC of lease payments during the continuance of such default or the failure on the part of LCBA/LEDC promptly to avail itself of such other rights or remedies as LCBA and/or LEDC may have, shall not be construed as a waiver of such default, but LCBA or LEDC may at any time thereafter, if such default continues, terminate THIS AGREEMENT on account of such default.

11.6 The rights and remedies given to LCBA and LEDC by THIS AGREEMENT shall be deemed to be cumulative, and no one of such rights and remedies shall be exclusive at law or in equity of the rights and remedies which LCBA might otherwise have by virtue of a default under THIS AGREEMENT, and the exercise of one such right or remedy by LCBA or LEDC shall not impair their standing to exercise any other right or remedy.

## SECTION TWELVE: DESTRUCTION OF THE PREMISES

12.1 If THE PREMISES should be destroyed by flood, fire, earthquake, Act of God or the elements during the term hereof, or damage to such an extent that THE FACILITY cannot be repaired within one hundred twenty (120) working days, THIS AGREEMENT, at HIVIZ'S option, may be terminated, and any prepaid unearned lease payments shall be refunded to HIVIZ. If HIVIZ terminates THIS AGREEMENT due to such destruction, it shall not be entitled to the return or recoupment of any sums paid prior to the event of destruction, and in the event of such termination by HIVIZ, THIS AGREEMENT shall become null and void and no party will have any further obligation to any other party except for any obligations meant to survive termination of THIS AGREEMENT.

Despite any destruction that cannot be repaired within 120 days, if, during the first twenty (20) days after such damage or destruction HIVIZ agrees to continue as a tenant, THIS AGREEMENT shall remain in full force and effect, and LCBA and LEDC shall, with all reasonable dispatch, proceed to repair or replace THE FACILITY with a premises similar in character, and the lease payments shall abate for such length of time during the period of replacement that HIVIZ is deprived of the occupation or enjoyment of THE FACILITY.

If THE FACILITY is only partially destroyed by any of the above causes and the damage thereto can be repaired within the one hundred twenty (120) working day period, LCBA and LEDC shall with all reasonable dispatch, proceed to repair THE FACILITY and place THE FACILITY in substantially the same condition as THE FACILITY was prior to the damage. The lease payments shall be adjusted so that HIVIZ shall remit lease payments for the only the

undamaged portion of THE FACILITY should they be fit for occupancy during the time of repair. If THE FACILITY is not fit for occupancy during the time of repair, then lease payments shall abate during such time period. In the event that LCBA and HIVIZ cannot agree as to whether THE FACILITY or any portion thereof is fit for occupancy, an independent third party, as agreed upon by LCBA and HIVIZ, shall make the said determination.

12.2 LCBA shall not be responsible for any claim, cause of action, damage, cost or expenses in the event HIVIZ'S business is interrupted, in any manner, if THE FACILITY is damaged or destroyed by flood, fire, earthquake, or act of God or the elements.

## SECTION THIRTEEN: CONDEMNATION

13.1 If the whole of THE PREMISES shall be taken or condemned by any competent authority for any public or quasi-public use or purpose, THIS AGREEMENT shall cease and terminate as of the date on which title shall vest thereby in that authority, and the lease amount reserved hereunder shall be apportioned and paid up to that date.

13.2 If only a portion of THE PREMISES shall be taken or condemned, THIS AGREEMENT and the term hereof shall not cease or terminate, but the lease amount payable after the date on which HIVIZ shall be required to surrender possession of such portion shall be reduced in proportion to the decreased use suffered by HIVIZ as the parties may agree.

13.3 In the event of any taking or condemnation in whole or in part, the entire resulting award of consequential damages shall belong to LCBA/LEDC without any deduction therefrom for the value of the unexpired term of THIS AGREEMENT or for any other estate or interest in THE PREMISES now or later vested in HIVIZ. HIVIZ assigns to LCBA/LEDC all of HIVIZ'S right, title and interest in any and all such awards.

13.4 In case of any governmental action not resulting in the taking or condemnation of any portion of THE PREMISES but creating a right to compensation therefore or, if less than a fee title to all or any portion of THE PREMISES shall be taken or condemned by any governmental authority for temporary use or occupancy, the lease payments shall be reduced in proportion to the part of THE PREMISES which was taken or condemned by said government action.

## SECTION FOURTEEN: SUBORDINATION

14.1 THIS AGREEMENT and all rights of HIVIZ hereunder shall be subject and subordinate to the lien of any and all loans and/or mortgages that may now or hereafter affect THE PREMISES, or any part thereof, which are obtained pursuant to the Project Development Agreement between the parties and to any and all renewals, modifications or extensions of any such Mortgages. HIVIZ shall on demand execute, acknowledge and deliver to LCBA and/or LEDC, without expense to them, any and all instruments that may be necessary or proper to subordinate THIS AGREEMENT and all instruments that may be necessary or proper to subordinate THIS AGREEMENT and all rights therein to the lien of any such mortgage or mortgages and each renewal, modification, or extension, and, if HIVIZ shall fail at any time to execute, acknowledge and deliver any such subordination instrument, LCBA/LEDC, in addition to any other remedies available in consequence thereof, may execute, acknowledge and deliver

the same as HIVIZ'S attorney in fact and in HIVIZ'S name. HIVIZ hereby irrevocably makes, constitutes and appoints LCBA and LEDC, and their successors and assigns, as HIVIZ'S attorney in fact for that purpose.

**SECTION FIFTEEN: RIGHT TO PERFORM**

15.1 If HIVIZ shall at any time be in default of the terms hereunder, LCBA and/or LEDC may cure such default on behalf of HIVIZ, in which event HIVIZ shall reimburse LCBA or LEDC for all sums paid to effect such cure, together with interest at the rate of six percent (6%) per annum, reasonable attorney's fees and other costs. In order to collect such reimbursement, LCBA and LEDC shall have all the remedies available under law and THIS AGREEMENT for a default in the remittance of lease payments.

**SECTION SIXTEEN: RIGHT OF ACCESS**

16.1 HIVIZ shall permit LCBA and LEDC or their agents to inspect or examine THE PREMISES at any reasonable time and shall permit LCBA/LEDC to make such REPAIRS and/or undertake such RENOVATION ACTIVITIES to THE PREMISES that LCBA or LEDC may deem necessary and which HIVIZ approves, or which HIVIZ has covenanted herein to do and has failed so to do, without the same being construed as an eviction of HIVIZ in whole or in part, and lease payments shall in no manner abate while such REPAIRS and/or RENOVATION ACTIVITIES are being made by reason of loss or interruption of HIVIZ'S use of THE PREMISES because of the prosecution of such work; provided, however, except in cases of emergency, LCBA/LEDC shall give HIVIZ ten (10) days notice of any such REPAIRS and/or RENOVATION ACTIVITIES required to comply with the terms and conditions of THIS AGREEMENT, during which ten (10) day period, HIVIZ shall have the right to perform such REPAIRS and/or RENOVATION ACTIVITIES.

16.2 If HIVIZ shall not be personally present to open and permit entry into THE PREMISES at any time when, for emergency purposes only, an entry therein shall be necessary or permissible, LCBA/LEDC or their agents may enter THE PREMISES by a master key, or may forcibly enter THE PREMISES, without rendering LCBA or such agents liable therefor, and without in any manner affecting the obligations and covenants of THIS AGREEMENT. LCBA'S right of entry or re-entry shall not be deemed to impose upon LCBA any obligation, responsibility or liability for the care, supervision or repair of THE PREMISES.

**SECTION SEVENTEEN: HIVIZ'S RIGHT OF ACCESS**

17.1 HIVIZ shall have full and complete access to THE PREMISES twenty-four (24) hours per day, three hundred sixty-five (365) days per year.

**SECTION EIGHTEEN: ASSIGNMENT AND SUBLEASING**

18.1 HIVIZ shall not assign, mortgage or encumber THIS AGREEMENT or sublet, license, assign or permit THE PREMISES or any part thereof to be used by others, whether voluntary or by operation of law or otherwise, without the prior written consent of LCBA and

LEDC in each instance. Notwithstanding anything to the contrary herein, HIVIZ shall be allowed to sublet THE PREMISES or any part thereof to its affiliated company Snowy Range Manufacturing, LLC, without the need or requirement of obtaining prior written consent of LCBA and LEDC. Any sublease or assignment to Snowy Range Manufacturing, LLC, shall under such terms and conditions as HIVIZ, in its sole and absolute discretion, deems appropriate. Any consent by LCBA and LEDC to an assignment or subletting shall not in any manner be construed to relieve HIVIZ, any assignee, or sublessee from obtaining the consent in writing of LCBA and LEDC as to any further assignment or subleasing.

**SECTION NINETEEN: NOTICE**

19.1 All notices to be given with respect to THIS AGREEMENT shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid and return receipt requested, to the party to be notified at the address set forth herein or at such addresses as either party may from time to time designate in writing. Every notice shall be deemed to have been given three (3) days after deposit in the United States Mail in the manner prescribed herein. Nothing contained herein shall be construed to preclude personal service of any notice in the manner prescribed for personal service of a summons or other legal proceedings.

**SECTION TWENTY: SIGNS**

20.1 HIVIZ shall not, without LCBA'S written consent, place or erect any signs of any nature on any part of the exterior of THE PREMISES or the exterior of THE BUILDING, to which such consent shall not be unreasonably withheld. In the event LCBA shall consent to any such signs or alterations of existing signs, all such signs or alterations thereof shall be subject to LCBA'S absolute right of approval.

**SECTION TWENTY-ONE: MISCELLANEOUS PROVISIONS**

21.1 The captions of THIS AGREEMENT are for convenience only, are not part of THIS AGREEMENT and do not in any way limit or amplify the terms or provisions hereof.

21.2 Nothing contained in THIS AGREEMENT shall be deemed or construed to create the relationship of principal and agent, partnership, joint venture or any association whatsoever between LCBA/LEDC and HIVIZ. LCBA/LEDC and HIVIZ expressly understand and agree that neither the computation of lease payments nor any other provisions contained in THIS AGREEMENT or any other act or acts of the parties hereto shall be deemed to create any relationship between LCBA/LEDC and HIVIZ other than the relationship of landlord and tenant.

21.3 THIS AGREEMENT shall be governed by, construed and enforced in accordance with the laws of the State of Wyoming. The proper venue for any action brought under the terms or arising through the terms of THIS AGREEMENT shall be Albany County, Wyoming.

21.4 Except as otherwise expressly provided, the terms and provisions hereof shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and permitted assigns, respectively, of LCBA/LEDC and HIVIZ. Each term and provision of THIS AGREEMENT to be performed by HIVIZ shall be construed to be both an independent

covenant and a condition. The reference contained to successors and assignees of HIVIZ is not intended to constitute a consent to assignment by HIVIZ but has reference only to those instances in which LCBA or LEDC may have given written consent to a particular assignment.

21.5 HIVIZ acknowledges that LCBA, LEDC and their agents have made no representations or promises with respect to THE PREMISES or the making or entry into THIS AGREEMENT, except as expressly set forth herein and in the PROJECT DEVELOPMENT AGREEMENT. All negotiations, considerations, representations and understandings between the parties are incorporated in THIS AGREEMENT, and HIVIZ acknowledges that LCBA, LEDC and their agents and representatives have made no additional representations, warranties or promises with respect to THE BUILDING, THE FACILITY, THE PREMISES and/or the surrounding land or fixtures in THE PREMISES.

21.6 THIS AGREEMENT constitutes the entire agreement between the parties with regards to the lease and purchase of THE PREMISES, and any agreement hereafter made shall not be effective to change, modify or discharge THIS AGREEMENT, in whole or in part, unless such agreement is in writing and is signed by the party against whom enforcement of the change, modification or discharge is sought.

21.7 If any term or provision of THIS AGREEMENT, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of THIS AGREEMENT, or the application of such term or provision to the terms or entities or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of THIS AGREEMENT shall be valid and enforced to the fullest extent permitted by law.

21.8 THIS AGREEMENT may be executed in one or more counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

21.9 Should either party be required to enforce the terms or conditions of THIS AGREEMENT, the prevailing party shall be entitled to recover from the non-prevailing party it's attorneys' fees and costs.

## SECTION TWENTY-TWO: PURCHASE

22.1 HIVIZ, at any time during the term of this Agreement but no later than expiration of the ten year term, shall be obligated to purchase THE PREMISES by delivering to LCBA and LEDC written notice of its intent to purchase THE PREMISES. Within fifteen (15) business days after notice of exercise of purchase, the parties shall execute a Purchase Agreement for the purchase of the PREMISES, containing no contingencies other than a contingency that LCBA and/or LEDC shall have marketable title to THE PREMISES. LCBA and LEDC shall not be obligated to provide and pay for an ALTA title insurance policy for THE PREMISES, but HIVIZ may request that they obtain such a policy and HIVIZ shall reimburse LCBA/LEDC for the cost to obtain same. The sale shall be closed within ninety (90) days from the date the HIVIZ gives notice that it intends to finalize the purchase of THE PREMISES. The parties agree that the terms of the purchase shall be subject to the purchase price and terms of ¶¶ 22.2 and 22.3 below.

HIVIZ shall purchase THE PREMISES and THE FACILITY at any time prior to Year 10, however in no event shall HIVIZ be allowed to extend the purchase obligation beyond Year 10 of THIS AGREEMENT.

22.2 The purchase price is the Fair Market Value. Fair Market Value is defined and determined by the parties to be the amount of public funds contributed toward the final cost of construction of THE FACILITY through the Grant funds. HIVIZ credits towards the purchase price are contingent upon meeting its employment objectives as further described herein pursuant to ¶ 22.3. The actual purchase price will be calculated by LCBA after construction of THE FACILITY is finished. LCBA shall provide its actual cost of construction of THE FACILITY to HIVIZ within 90 days of the commencement of the lease agreement. However, any failure by LCBA to timely declare the actual final cost of construction shall not be a material default hereunder.

The following adjustments shall be made to the purchase price:

(i) The purchase price shall be increased by the amount of any unreimbursed sums expended by LCBA/LEDC such as property insurance, maintenance or repair expenses paid by LCBA/LEDC and any other sum as to which HIVIZ is obligated to pay or reimburse hereunder; and

(ii) If HIVIZ has met the job creation and payroll projections goals (employment objectives) set forth in Exhibit 2 hereto, then the purchase price shall be adjusted downward so as to give HIVIZ a credit against the purchase price for an amount equal to seventy percent (70.0%) of the lease payments actually made by HIVIZ as of the date of closing. The parties agree that the value associated with HIVIZ attaining its employment objectives equivalent to the credit against the purchase price of the PREMISES.

22.3 The purchase price reduction spelled out in ¶ 22.2 is contingent upon HIVIZ employing, maintaining and increasing full-time employment and cumulative net payroll in accordance with the projections as provided for and outlined by the attached Exhibit 2. The term "net payroll" shall mean the total of all wages, salaries, bonuses and other compensation paid by HIVIZ to its employees whose primary place of employment or work is in Albany County, Wyoming. "Net payroll" shall not include employee benefits such as life, medical, disability and other insurance provided to its employees, paid for the benefit of its employees. During the term of the Lease, HIVIZ shall maintain all records and documents which are reasonably necessary to determine if HIVIZ has met the terms and conditions of this Agreement.

In the event that HIVIZ fails to meet the payroll projections contained in Exhibit 2 hereto, it shall still be obligated to purchase THE PREMISES, but shall not be entitled to any discount in the purchase price for the lease payments made by HIVIZ.

## SECTION TWENTY-THREE: AUTHORITY OF SIGNATORIES

23.1 Each person executing THIS AGREEMENT individually and personally represents and warrants that he/she is signing with full and complete authority granted by the

corporation or entity which is represented herein as HIVIZ. The signatories hereto represent and warrant that THIS AGREEMENT is binding upon LCBA, LEDC and HIVIZ in accordance with the terms and conditions of THIS AGREEMENT.

**SECTION TWENTY-FOUR: TIME OF THE ESSENCE**

24.1 Time is of the essence in all provisions of THIS AGREEMENT.

**SECTION TWENTY-FIVE: EFFECT ON PRIOR LEASE**

Unless otherwise provided herein, the parties hereto agree that THIS AGREEMENT shall not modify the terms and conditions of that certain 2013 Lease and Purchase Agreement (the "2013 Lease and Purchase Agreement") between LEDC and HIVIZ with respect to its first building, said agreement being dated July 2013. Provided, however, that the parties agree to provide an updated sketch of the 7.27 acres which differentiates the 5 acres attached to the 2015 Lease and Purchase Agreement from the 2.27 acres associated with this 2016 Lease and Purchase Agreement.

IN WITNESS WHEREOF, the parties have executed THIS AGREEMENT at Laramie, Wyoming, the day and year first above written.

**LARAMIE CHAMBER BUSINESS ALLIANCE**

Date: _____ By: _____
Nancy Stutzman, Chair of the Board

**LARAMIE CHAMBER BUSINESS ALLIANCE**

Date: _____ By: _____
Jamie Harris, CEO

**NORTH PASS, LTD.**

Date: _____ By: _____
Phil Howe, President & CEO

## Exhibit 1 to 2016 Lease and Purchase Agreement - Rent Schedule

| **Building Assumptions** | **YEAR 1** | **YEAR 2** | **YEAR 3** | **YEAR 4** | **YEAR 5** |
|---|---|---|---|---|---|
| Building Size (Sq. Ft.) | 19,840 | | | | |
| Lease Rates (Years 1 -10) | $4.25 | $5.00 | $5.50 | $5.50 | $5.67 |
| | | | | | |
| **Grant/Loan Assumtions** | | | | | |
| BRC Grant | $3,000,000 | | | | |
| Cash Match | 150,000 | | | | |
| Land Value | TBD | | | | |
| | | | | | |
| **Tax Assumptions** | | | | | |
| Mill Levy | 0.073 | 0.073 | 0.073 | 0.073 | 0.073 |
| Tax Rate (Industrial) | 11.50% | 11.50% | 11.50% | 11.50% | 11.50% |
| Appreciation (Annual) | 1% | 1% | 1% | 1% | 1% |
| | | | | | |
| **PROJECTIONS** | | | | | |
| Lease Revenue | $84,320 | $99,200 | $109,120 | $109,120 | $112,492 |
| Property Taxes | $15,750 | $15,907 | $16,066 | $16,226 | $16,388 |
| Building Mantenance | $5,000 | $5,000 | $5,000 | $5,000 | $5,000 |
| WBC 25% | $15,892 | $19,573 | $22,013 | $21,974 | $22,776 |
| Cash Flow | $47,678 | $58,720 | $66,041 | $65,921 | $68,328 |
| | | | | | |
| **Purchase** | | | | | |
| Building Value | | | | | |
| Lease Payments | | | | | |
| Purchase Price | | | | | |

| **YEAR 6** | **YEAR 7** | YEAR 8 | YEAR 9 | YEAR 10 |
|---|---|---|---|---|
| [redacted] | | | | |
| $5.83 | $6.01 | $6.25 | $6.25 | $6.30 |
| [redacted] | | | | |
| [redacted] | | | | |
| 0.073 | 0.073 | 0.073 | 0.073 | 0.073 |
| 11.50% | 11.50% | 11.50% | 11.50% | 11.50% |
| 1% | 1% | 1% | 1% | 1% |
| $115,667 | $119,238 | $124,000 | $124,000 | $124,992 |
| $16,551 | $16,716 | $16,883 | $17,501 | $17,676 |
| $5,000 | $5,000 | $5,000 | $5,000 | $5,000 |
| $23,529 | $24,380 | $25,529 | $25,529 | $25,579 |
| $70,587 | $73,141 | $76,588 | $76,588 | $76,737 |

# Exhibit 2 to 2016 Lease and Purchase Agreement - HIVIZ Salary and Job Projections

| | 2016 | | 2017 | | 2018 | | 2019 | | 2020 | |
|---|---|---|---|---|---|---|---|---|---|---|
| Job Description | Wages* | Personnel | Wages* | Personnel | Wages* | Personnel | Wages* | Personnel | Wages* | Personnel |
| Officers | $635,000 | 5 | $700,950 | 5 | $825,997 | 5 | $1,047,300 | 6 | $1,089,000 | 6 |
| Professional | $660,360 | 13 | $832,000 | 16 | $1,200,320 | 22 | $1,474,200 | 26 | $1,744,350 | 29 |
| Production | $889,670 | 26 | $1,562,000 | 40 | $2,161,120 | 52 | $2,823,680 | 64 | $3,481,700 | 74 |
| Clerical | $218,649 | 6 | $343,350 | 9 | $498,240 | 12 | $708,480 | 16 | $904,400 | 19 |
| | $2,403,679 | 50 | $3,438,300 | 70 | $4,685,677 | 91 | $6,053,660 | 112 | $7,219,450 | 128 |
| Average Wage | $48,074 | | $49,119 | | $51,491 | | $54,051 | | $56,402 | |

* Includes payroll, insurance, SIMPLE IRA

# EXHIBIT B TO PHASE II EXPANSION AND PROJECT DEVELOPMENT AGREEMENT – RECAPTURE AND REINVESTMENT PLAN

The Laramie Chamber Business Alliance (LCBA/LEDC) has developed a comprehensive reinvestment plan that accounts for the full recapture of net lease or sale proceeds paid by North Pass Limited (HiViz). Annual Lease payments are currently projected to be $84,320 in the first year, and escalating to a year ten annual lease amount of $124,992, which will be retained by the LCBA and reinvested in accordance with this plan. Gross lease amounts are based on the 19,840 square feet projected to be built. Reinvestment of such proceeds will occur upon satisfaction of debt service (if any), taxes, and property maintenance/management or other expenses.

**LEASE PERIOD**

Recaptured funds from the project, during the lease, will be accounted for, and held separately, from the LCBA/LEDC general operating fund. The LCBA/LEDC will return 25% of the annual net revenue to the Wyoming Business Council during the term of the lease period. Following this annual payment, it is the intent of the LCBA/LEDC to re-investment the remaining Revenue Recapture Funds and to promote greater self-sufficiency of the organization. As such, the LCBA/LEDC will re-invest 80% of the net revenue generated from the lease payments to fund economic development, including, infrastructure, project-specific marketing, grant match, and other projects as needed. The remaining 20% will be re-invested into the LCBA/LEDC to fund its operations, thus ensuring future economic development goals are met. All uses of revenue that is recaptured are subject to CEO and LCBA/LEDC Board of Directors approval.

**UPON SALE OF PROPERTY**

Should HiViz exercise their option to purchase the property, as called out in the Project Development Agreement (PDA), the LCBA/LEDC will handle the net proceeds as follows;

- 50% will be used by the LCBA/LEDC to fund economic development project-specific marketing infrastructure, and other projects as needed.
- 25% to be returned the Wyoming Business Council in an effort to support the self-sustainability of their grant programs.
- 25% will be retained by the LCBA/LEDC to be utilized as matching dollars for future grant projects with the Wyoming Business Council.

Net Revenue is defined as the sale of the building according to the terms called out in the executed Lease/Purchase Agreement.

The LCBA recognizes that funds recaptured from the project may only be used for economic development purposes and wish to maintain some flexibility in how those funds are reinvested. The organization also strives for greater self-sufficiency so that it can be responsive to unforeseen economic opportunities. However, the LCBA/LEDC has identified the following priorities for reinvestment:

- Continued Cirrus Sky Development
- Cash match for future WBC grants
- Other Economic Opportunities

While continued Cirrus Sky Development is the primary investment priority for Sale proceeds, it is unknown when a sale might take place and what stage of development Cirrus is at, as such, the LCBA/LEDC will reserve the option to use recapture funds to respond to other economic development opportunities as they might arise. Such opportunities include, but are not limited to, infrastructure extension, economic incentives, marketing, public enhancements, property acquisition or development, and working capital for new business growth.

## SECTION VII: BUDGET INFORMATION

1. EXISTING REVENUE RECAPTURE – Attach an accounting of existing revenue recapture funds in the community (whether with the city, town, county or JPB), how those are being used, and why or why not those are be applied to this project.

2. PROJECT BUDGET - The project budget pages need to show how all eligible costs will be covered by both cash and in-kind contributions. Construction costs represented here must be supported by estimates from a qualified engineer or architect.

REGISTERED PROFESSIONAL ARCHITECT
TIMOTHY BELTON
B-107
STATE OF WYOMING

**Part A: Eligible Project Costs**

| Eligible Project Costs | |
|---|---|
| **1.** Land, structures, rights-of-way, appraisals, etc. | $ |
| **2.** Architectural and engineering fees 7.0% of $3,260,034 | $ 228,200 |
| **3.** Other fees (surveys, tests, etc.) | $ |
| **4.** Project inspection fees Laramie plan review | $ 8,723 |
| **5.** Site work | $ 385,790 |
| **6.** Demolition and removal | $ 0 |
| **7.** Construction | |
| a. Electrical Systems (*) and Communications | $ 339,100 |
| b. Mechanical, Plumbing, HVAC Systems (*) | $ 329,920 |
| c. Landscaping (*) | $ 67,500 |
| d. Foundation and/or Structural Framing System (*) | $ 965,187 |
| e. Interior Finishes (*) | $ 229,375 |
| f. Fire Protection (*) | $ 58,496 |
| g. Remediation (*) 5% reduction for conservative estimating | $ (163,438) |
| h. Other (*) – please specify | $ 606,056 |
| **8.** Miscellaneous/Other (Please explain in detail below) | $ 80,901 |
| **9.** Subtotal (sum of lines 1 through 8) | $ 3,135,810 |
| **10.** Contingencies | $ 197,709 |
| **Total Eligible Project Costs** | $3,333,519 |
| **11. Total Eligible Project Costs** *Use this amount for Part B, Number 1 and as the Total Eligible Project Costs as listed on the cover sheet.* | $ |

(*) = Required for projects involving the construction of a new or existing building

Further explanations: 7.h Other
General Requirements; General Conditions; CM/GC fees $606,056
8. Misc. Insurance and Bonds

# CITY OF LARAMIE COUNCIL WORK SESSION September 13, 2016

| | |
|---|---|
| LARAMIE 1868 | **Agenda Item:** Discussion Item<br><br>**Title: Fluoridation of Drinking Water** |

**Recommended Council MOTION:**

Discussion item only, no action necessary.

**Administrative or Policy Goal:**

**Community Water Fluoridation** - *the controlled addition of a fluoride compound to a public water supply to achieve a concentration optimal for dental caries prevention.*

**Background:**

At City Council's request, staff has reviewed our current practices with regard to the addition of fluoride to the City's drinking water (fluoridation). As is typical with discussions on this topic there are pros and cons to the policy to fluoridate; however, we have tried to focus more on the technical aspects of the issue as it relates to water treatment and tried not to express an opinion concerning the public health effects of the practice.

The United States Environmental Protection Agency (USEPA) and the United States Department of Health and Human Services Centers for Disease Control and Prevention (CDC) both recommend the addition of fluoride to drinking water, but do not require the practice. Attached as Attachment A to this cover sheet is a statement from the CDC concerning the practice of fluoridation, it also cites numerous sources the reader can utilize in researching this topic.

**Current City Practice**

We currently fluoridate to a level of 0.7 mg/l which is the recommended national standard. To reach the level of 0.7 mg/l we dose approximately 0.5 mg/l fluoride solution to account for naturally occurring fluoride levels resident in the source water. Fluoride is ubiquitous in the environment and therefore likely to be present to some extent in all water sources. For example, sea water contains approximately 1.2 mg/l of fluoride while the concentration present in source water is often equal to the amount of fluoride in rainfall, which is typically 0.1 to 0.2 mg/l. We have found this to be the case with our source water.

The City currently fluoridates water to the target level of 0.7 mg/l through the addition of sodium fluorosilicate in solution. Our practices are consistent with American Water Works Association (AWWA) standards as provided in the Manual of Water Supply Practices M4, Water Fluoridation Principals and Practices. Attachment B provides an estimate of the average annual cost of fluoridation.

The following information is included to provide some additional background on our current practice.

- Feeding fluoride is less than pleasant and is difficult to manage. The product (sodium fluorosilicate) comes in 50 pound bags that require a lot of handling. The fluoride feed equipment demands more tending and repairs than most other similar equipment.
- Sodium fluorosilicate is difficult and dangerous to handle. The compound is toxic by inhalation, ingestion, and via skin contact. Bags are often broken in shipment and when handling, dust of the product is often spread, increasing the risk of inhalation.
- Sodium fluorosilicate is a toxic compound that can be used to poison a water system when used in high doses and EPA and Homeland Security requires that it, and feed equipment, be secured.
- As mentioned above, the fluoride feed equipment is constantly breaking down due to the nature of the product. Sodium fluorosilicate is corrosive, abrasive and difficult to dissolve into solution which wears the equipment out quickly.
- We dose at 0.5 ppm (mg/l) to allow for variations in the source water levels.
- Temporary interruptions of dosing are necessary to deal with problems.
- Fluoridation process and coagulation process often interfere with each other making residual management impossible at times.
- Sodium fluorosilicate is becoming more difficult to purchase and the product from China comes of questionable quality.
- Having fluoride in the system provides useful tracer information for management of the water quality in the distribution system.
- Having fluoride in the system has proved useful in assessing potential main line leaks.

In spite of the issues related to the handling of sodium fluorosilicate, as a staff, we support fluoride addition as long as the community supports and wants this service. However, our position would change if any of the following were to occur:

- The quality of the sodium fluorosilicate becomes suspect due to supply issues.
- The feed equipment becomes unreliable.
- We can't safely handle the product.
- EPA or CDC change their position on fluoridation.
- The community changes its position and no longer supports fluoridation.

**Additional Research**

As you might expect, there is considerable information available on this topic. When performing research it is easy to find information in support of, or in opposition to the practice of fluoridation. Many research papers suggest there is strong evidence that water fluoridation reduces tooth decay; many research papers also suggest the risks of fluoridation outweigh any potential benefit and may actually cause adverse effects.

The primary detrimental, or adverse effect of fluoridation is dental fluorosis. There is evidence that suggests fluoridation causes dental fluorosis, most of which is mild and not usually of aesthetic concern. Fluoride's adverse effects depend on total fluoride dosage from all sources. At the commonly recommended dosage, the only clear adverse effect is dental fluorosis, which can alter the appearance of children's teeth during tooth development; this is mostly mild and is unlikely to represent any real effect on aesthetic appearance or on public health.

**Recommended Practice**

In April 2015, recommended fluoride levels in the United States were changed to 0.7 ppm from the previous standard level of 0.7–1.2 ppm to reduce the risk of dental fluorosis. In the US, mild or very mild dental fluorosis has been reported in 20% of the population, moderate fluorosis in 2% and severe fluorosis in less than 1%. As mentioned above, we dose at 0.5 ppm with a goal of achieving a total level of 0.7 ppm, the recommended level. The additional fluoride (above 0.5 ppm) is naturally occurring in our water sources, so even if we did not add fluoride we would still have fluoride in our drinking water (0.1 to 0.3 ppm).

**Regulatory Considerations**

Fluoridation of public water supplies is not mandated by the USEPA or any other federal agency in the United States. The 1974 Safe Drinking Water Act (SDWA) specified that no national primary drinking water regulation can require the addition of any substance for preventive health benefits not related to drinking water contamination. This prohibition inherently established fluoridation as a decision to be made by each individual state or local municipality.

**States Requiring Fluoridation**

| State | Year Mandated |
|---|---|
| Connecticut | 1965 |
| Kentucky | 1966 |
| Illinois | 1967 |
| Minnesota | 1967 |
| Ohio | 1969 |
| South Dakota | 1969 |
| Georgia | 1973 |
| Nebraska | 1973, 2008 |
| California | 1995 |
| Delaware | 1998 |
| Nevada | 1999 |
| Louisiana | 2008 |
| Arkansas | 2011 |

**Note:** Washington, D.C. and Puerto Rico also require fluoridation

## Attachment B

## Estimated Annual Expense

This estimate of annual fluoridation expenses is based upon a review of the past 4 years of expenses and produced an average annual value for each of the following categories. The average annual amount of water treated is 17 million gallons.

| | |
|---|---|
| Chemicals | $16,500 |
| Power | $7,805 |
| Time | $20,280 |
| Equipment | $13,000 |
| Repair & Maintenance | $2,962 |
| Total | $60,547 |

**Notes:**

1) Over the past 4 years we have been plagued with fluoride supply problems and at times have been unable to get product. The value for chemicals is adjusted to reflect a steady supply.
2) Power is based on run hours at 27 amp load.
3) The cost of the water is not assigned because it is pumped back into the system after the solution is made. It does impact the size of the pumps we use and the power consumption.
4) Man hours are estimated to be 338 hours per year @ $60/hour.
5) Equipment is based on $65,000 replacement cost with a 20 year life cycle. There are 4 feeders in the system.

**DEPARTMENT OF HEALTH & HUMAN SERVICES** Public Health Service

Centers for Disease Control
and Prevention (CDC)
Atlanta, GA 30341-3724

June 8, 2015

STATEMENT ON THE EVIDENCE SUPPORTING THE SAFETY AND EFFECTIVENESS OF COMMUNITY WATER FLUORIDATION

On behalf of the Centers for Disease Control and Prevention (CDC), I am pleased to provide a statement on the evidence regarding the safety and benefits of community water fluoridation. For the record, this statement is not testimony for or against any specific legislative proposal.

Good oral health is an important part of good overall health and an essential part of our everyday lives. Diet, sleep, psychological status, social interaction, school, and work are all affected by impaired oral health. Over the past several decades, there have been major improvements in the nation's oral health that have benefitted most Americans.[1]

However, profound disparities in oral health status remain for some population subgroups, such as the poor, the elderly, and many members of racial and ethnic minority groups.[1] Tooth decay is one of the most common chronic diseases among American children with 1 of 4 children living below the federal poverty level experiencing untreated tooth decay.[2] Untreated decay can cause pain, school absences, difficulty concentrating, and poor appearance—all contributing to decreased quality of life and ability to succeed.[3]

Tooth decay and its complications are preventable, and several preventive and early treatment options are safe, effective, and economical. The CDC leads national efforts to improve oral health by using proven strategies such as community water fluoridation and school-based dental sealant programs that prevent oral diseases.

## An Effective Intervention

Community water fluoridation is "the controlled addition of a fluoride compound to a public water supply to achieve a concentration optimal for dental caries prevention."[1] The process of adding fluoride to public water systems in the United States began in 1945 in Grand Rapids, Michigan. Soon after, dramatic declines in dental caries were noted among school children in Grand Rapids compared with school children from surrounding areas. Since then, community water fluoridation has been adopted by communities across the country, providing the cornerstone of caries prevention in the United States.[1] In 2012, more than 210 million people, or 74.6% of the U.S. population served by public water supplies, drank water with optimal fluoride levels to prevent tooth decay.[4]

Water fluoridation is beneficial for reducing and controlling tooth decay and promoting oral health across the lifespan. Evidence shows that water fluoridation prevents tooth decay by providing frequent and consistent contact with low levels of fluoride, ultimately reducing tooth decay by 25% in children and adults.[5-8] Additional evidence shows that schoolchildren living in communities

where water is fluoridated have, on average, 2.25 fewer decayed teeth compared to similar children not living in fluoridated communities.[9]

The safety and benefits of fluoride are well documented and have been reviewed comprehensively by several scientific and public health organizations. The U.S. Public Health Service; the United Kingdom's National Institute for Health Research, Centre for Reviews and Dissemination, at the University of York; and the National Health and Medical Research Council, Australia have all conducted scientific reviews by expert panels and concluded that community water fluoridation is a safe and effective way to promote good oral health and prevent decay.[10-12] The U.S. Community Preventive Services Task Force, on the basis of systematic reviews of scientific literature, issued a strong recommendation in 2001 and again in 2013, for community water fluoridation for the prevention and control of tooth decay.[9,13]

A Cost-saving Intervention

Although other fluoride-containing products such as toothpaste, mouth rinses, and dietary supplements are available and contribute to the prevention and control of dental caries, community water fluoridation has been identified as the most cost-effective method of delivering fluoride to all members of the community regardless of age, educational attainment, or income level.[14,15] Analyses have also shown that water fluoridation provides additional benefits across the lifespan beyond what is gained from using other fluoride-containing products.[8,11,16]

By preventing tooth decay, community water fluoridation has been shown to save money, both for families and the health care system.[7,17] The return on investment (ROI) for community water fluoridation varies with size of the community, increasing as community size increases, but, as noted by the U.S. Community Preventive Services Task Force, community water fluoridation is cost-saving even for small communities.[17,18] The estimated annual ROI for community water fluoridation, including productivity losses, ranged from $4.32 in small communities of 5,000 people or less, to $27.41 in large communities of 20,000 or more people.[7] The estimated ROI for community water fluoridation excluding productivity losses was $3.24 in small communities and $20.52 in large communities.[19]

A study of a community water fluoridation program in Colorado used an economic model to compare the program costs associated with community water fluoridation with treatment savings achieved through reduced tooth decay. The analysis, which included 172 public water systems, each serving populations of 1,000 individuals or more, found that 1 year of exposure to fluoridated water yielded an average savings of $60 per person when the lifetime costs of maintaining a restoration were included.[20] Analyses of Medicaid claims data in 3 other states (Louisiana, New York, and Texas), have also found that children living in fluoridated communities have lower caries related treatment costs than do similar children living in non-fluoridated communities; the difference in annual per child treatment costs ranged from $28 to $67.[21-23]

A Safe Intervention

Expert panels consisting of scientists from the United States and other countries, with expertise in various health and scientific disciplines, have considered the available evidence in peer-reviewed literature and have not found convincing scientific evidence linking community water fluoridation with any potential adverse health effect or systemic disorder such as an increased risk for cancer,

Down syndrome, heart disease, osteoporosis and bone fracture, immune disorders, low intelligence, renal disorders, Alzheimer disease, or allergic reactions.[9,11]

Documented risks of community water fluoridation are limited to dental fluorosis, a change in dental enamel that is cosmetic in its most common form. Changes range from barely visible lacy white markings in milder cases to pitting of the teeth in the rare, severe form. In the United States, most dental fluorosis seen today is of the mildest form, affecting neither aesthetics nor dental function.[24] Fluorosis can occur when young children—typically less than 8 years of age, whose permanent teeth are still forming under the gums—take in fluoride from any source.[9,11] Recommendations provided by the U.S. Public Health Service for the optimal level of fluoride in public water systems take into account levels of water consumption as well as the availability of other fluoride products.[25]

## Conclusion

In the seminal report, *Oral Health in America: A Report of the Surgeon General*, Surgeon General David Satcher observed a "'silent epidemic' of dental and oral diseases […] with those suffering the most found among the poor of all ages."[1] The report affirms that community water fluoridation is "an inexpensive means of improving oral health that benefits all residents of a community, young and old, rich and poor alike." Because of its contribution to the dramatic decline in tooth decay over the past 70 years, CDC named community water fluoridation 1 of 10 great public health achievements of the 20th century.[14]

Katherine Weno, DDS, JD
Director, Division of Oral Health
National Center for Chronic Disease Prevention and Health Promotion
Centers for Disease Control and Prevention

## References

1. US Department of Health and Human Services. *Oral Health in America: A Report of the Surgeon General*. Rockville, MD: US Department of Health and Human Services, National Institute of Dental and Craniofacial Research, National Institutes of Health; 2000.
2. Dye BA, Li X, Thornton-Evans G. Oral Health Disparities as Determined by Selected Healthy People 2020 Oral Health Objectives for the United States, 2009–2010. NCHS data brief no. 104. Hyattsville, MD: National Center for Health Statistics; 2012. http://www.cdc.gov/nchs/data/databriefs/db104.htm. Accessed February 17, 2015.
3. Guarnizo-Herreno CC, Wehby GL. Children's dental health, school performance, and psychosocial well-being. *J Pediatr.* 2012;161:1153-9.
4. Centers for Disease Control and Prevention. 2012 Water Fluoridation Statistics website. http://www.cdc.gov/fluoridation/statistics/2012stats.htm. Accessed February 17, 2015.
5. Koulourides T. Summary of session II: fluoride and the caries process. *J Dent Res*. 1990;69(Spec Iss):558.
6. Featherstone JD. Prevention and reversal of dental caries: role of low level fluoride. *Community Dent Oral Epidemiol.* 1999;27:30-40.

7. Truman BI, Gooch BF, Sulemana I, et al. Reviews of evidence on interventions to prevent dental caries, oral and pharyngeal cancers, and sports-related craniofacial injuries. *Am J Prev Med*. 2002(1S):21-54.
8. Griffin SO, Regnier E, Griffin PM, Huntley V. Effectiveness of fluoride in preventing caries in adults. *J Dent Res*. 2007;86:410-415.
9. Community Preventive Services Task Force. Guide to Community Preventive Services: Preventing Dental Caries: Community Water Fluoridation website. http://www.thecommunityguide.org/oral/fluoridation.html. Accessed February 17, 2015.
10. Public Health Service. Review of fluoride: benefits and risks. Report of the Ad Hoc Subcommittee on Fluoride of the Committee to Coordinate Environmental Health and Related Programs. Washington, DC: US Department of Health and Human Services; 1991. http://www.health.gov/environment/ReviewofFluoride/default.htm. Accessed February 17, 2015.
11. McDonagh MS, Whiting PF, Bradley M, et al. *A Systematic Review of Public Water Fluoridation*. University of York, York: NHS Centre for Reviews and Dissemination; 2000. http://www.york.ac.uk/inst/crd/CRD_Reports/crdreport18.pdf. Accessed February 17, 2015.
12. Australian Research Centre for Population Oral Health. The use of fluorides in Australia: Guidelines. *Aust Dent J*. 2006;51:195-199.
13. Community Preventive Services Task Force. Guide to Community Preventive Services: Preventing Dental Caries: Community Water Fluoridation website (2000 archived review). http://www.thecommunityguide.org/oral/fluoridation_archive.html. Accessed February 17, 2015.
14. Centers for Disease Control and Prevention. Achievements in public health, 1900-1999: fluoridation of drinking water to prevent dental caries. *MMWR*. 1999;48(41):933-940.
15. Burt BA, ed. Proceedings for the workshop: cost-effectiveness of caries prevention in dental public health, Ann Arbor, Michigan, May 17--19, 1989. *J Public Health Dent*. 1989;49(special issue):331-337.
16. Slade GD, Sanders AE, Do L, Roberts-Thompson K, Spencer AJ. Effects of fluoridated drinking water on dental caries in Australian adults. *J Dent Res*. 2013;92:376-82.
17. Griffin SO, Jones K, Tomar SL. An economic evaluation of community water fluoridation. *J Public Health Dent.* 2001;61:78-86.
18. Ran T, Chattopadhyay S. Economic evaluation of community water fluoridation: a Community Guide systematic review (working paper).
19. Griffin S, Jones K, Tomar S. Unpublished data, January 2015.
20. O'Connell JM, Brunson D, Anselmo T, Sullivan PW. Costs and savings associated with community water fluoridation programs in Colorado. *Prev Chronic Dis.* 2005. http://www.cdc.gov/pcd/issues/2005/nov/05_0082.htm. Accessed February 17, 2015.
21. Water fluoridation and costs of medicaid treatment for dental decay—Louisiana, 1995–1996. *MMWR*. 1999;48(34):753-7.
22. Kumar JV, Olubunmi A, Melnik TA. Geographic Variation in Medicaid Claims for Dental Procedures in New York State: Role of Fluoridation Under Contemporary Conditions. *Public Health Reports*. 2010;125:647-654.
23. Texas Department of State Health Services. *Water fluoridation costs in Texas: Texas Health Steps (EPSDT-MEDICAID)*. Austin, TX: Texas Department of State Health Services; 2000. www.dshs.state.tx.us/dental/pdf/flstudy.pdf. Accessed March 10, 2015.
24. Beltrán-Aguilar ED, Barker L, Dye BA. Prevalence and severity of dental fluorosis in the United States, 1999-2004. NCHS Data Brief no. 53. Hyattsville, MD: National Center for Health

Statistics; 2010. http://www.cdc.gov/nchs/data/databriefs/db53.pdf. Accessed February 17, 2015.

25. US Department of Health and Human Services. Public Health Service Recommendation for Fluoride Concentration in Drinking Water for Prevention of Dental Caries. Federal Register 80 FR 24936, May 1, 2015. https://federalregister.gov/a/2015-10201. Accessed June 8, 2015.