

**MEMORANDUM OF UNDERSTANDING
(San Juan County Rural County Grant)**

THIS Memorandum of Understanding is entered into this ____ day of _____, 2024, by and between _____, whose mailing address is _____; (hereinafter "Grant Recipient") and San Juan County, a Subdivision of the State of Utah, by and through its Economic Development Department, whose mailing address is 117 South Main Street, PO Box #9, Monticello, Utah 84535, (hereinafter "SJC").

WHEREAS, SJC's General Plan adopted in 2022 includes Economic Goals, Policies, and Potential Actions Steps, which include a strategic plan focusing on Business Expansion and Retention; we feel we have a vital interest in helping local businesses succeed in the County and as part of our General Plan Strategic Goals created by and for our citizens and business owners.

WHEREAS, as part of the SJC Rural Grant Program, SJC has access to funds to distribute to qualifying businesses, provided they qualify under the conditions set forth in the Grant, this Agreement, and in Grant Recipient's Application;

WHEREAS, Grant Recipient is a local business which provides goods or services to the public in SJC and/or desires to establish or create a business to provide said goods or services in SJC.

WHEREAS, Grant Recipient desires to receive rural grant funding to aid in the operation or creation of said business, according to the allowances and conditions set forth in the rural grant program and the conditions set forth in this Agreement.

WHEREAS, SJC desires to ensure that the Grant Recipient understands and agrees to be bound by the conditions imposed by the rural grant program.

WITNESSETH: In consideration of the Covenants and Agreements of the respective parties herein contained, the parties covenant and agree as follows:

1. Grant Amount. SJC will tender to the Grant Recipient the sum of _____ dollars (\$_____.00), pursuant to the terms and conditions set forth herein and in Grant Recipient's application.

2. Acknowledgment. Grant Recipient acknowledges that they have read and understand all of the requirements imposed by the SJC Rural County Grant Program and

further agrees to comply at all times with said requirements, the conditions set forth in this Agreement, and in Grant Recipient's Application.

3. Licenses. Grant Recipient shall obtain any and all local, State or Federal licenses required to operate the business, including a business license issued by San Juan County or any incorporated City or Town within San Juan County. The Grant Recipient shall maintain these licenses throughout the term of the grant and review period.

4. Proposed Budget. Grant Recipient acknowledges that no alterations to their proposed budget and expenses will be allowed after the funds are awarded. If Grant Recipient anticipates any changes from the original submission for the proposed grant, they must contact the San Juan County Economic Development Office.

5. Changes to Budget. If the Economic Development Department receives notice that the Grant Recipient's proposed budget has or will change, it may contact the County Economic Development Board to meet and review the changes to the original request. Grant Recipient will be notified within ten days as to the County Economic Development Board's decision.

6. Grant Recipient's Contributions. Grant Recipient agrees that it will contribute cash funds in the amount of 5.00% of the total grant amount and will provide like-kind services whose verified market value equals or exceeds 15.00% of the grant amount. These amounts may be periodically adjusted during the term of the grant upon review by SJC.

7. Reporting Requirements. Grant Recipient agrees to submit audit reports and any other financial documents, including tax returns, to SJC upon request by the County and to otherwise comply with all Federal, State, and County reporting requirements to receive the grant allocation.

8. Breach. In the event that the Grant Recipient fails to comply with any of the terms and conditions set forth in this Agreement or in the Grant Recipient's Application or any misuse of the grant funding, including the use of funds or resources in contravention of this Agreement or Grant Recipient's Application, Grant Recipient will be required to refund to SJC the full amount of the grant awarded hereunder.

9. Updates. Grant Recipient will be required to present an update every six (6) months during the term of the grant. At a minimum, this update shall include the status and progress of the project, the details of the project, profit and loss statements, expenditures, cost overruns, inventories, personal property acquisitions, and any other information requested by the SJC Economic Development Board. Failure to submit the required documentation will result in a breach of this Agreement, and Grant Recipient may be required to refund any grant amounts paid hereunder, as determined by SJC Economic Development Board.

10. Sale of Business. If the Grant Recipient sells or transfers the business via a stock purchase or an asset purchase within three years from the date of receipt of the grant funds, the Grant Recipient shall return the entire awarded amount or a different amount as may be allowed by The San Juan County Economic Development Board. This paragraph does not apply to transfers or sells to entities or trusts wholly owned by the Grant recipient.

11. Authority. Each person executing this Agreement hereby warrants that they have full and legal authority to execute this Agreement for and on behalf of the respective parties, and no further approval or consent of any other person is necessary in connection therewith. Further, each person executing this Agreement covenants and represents that the execution of this Agreement is not in contravention of and will not result in a breach of any other agreement, contract, instrument, order, judgment, or decree to which such person is a party.

12. Indemnification. With respect to any judicial, administrative, or arbitration action, suit, claim, investigation, or proceeding ("Proceeding") against SJC, SJC's officers, employees, agents, consultants, advisors, and other representatives, and each of their heirs, executors, successors, and assignees ("SJC Indemnitees") that arises out of this Agreement or the acts or omissions of the Grant Recipient (each, a "Claim"), Grant Recipient shall, for the duration of this Agreement and for a period of six years after the termination of this Agreement, indemnify those SJC Indemnitees against any amount awarded in, or paid in settlement of any Proceeding, including interest ("Loss") and any out-of-pocket expense incurred in defending a Proceeding or in any related investigation or negotiation, including court filing fees, court costs, arbitration fees, witness fees, and attorneys' and other professionals' fees and disbursements ("Litigation Expense") (Loss and Litigation Expense means "Indemnifiable Losses") arising out of that Proceeding, except to the extent that SJC negligently or intentionally caused those Indemnifiable Losses.

13. Governing Law; Exclusive Jurisdiction. Utah law governs any Proceeding brought by one party against the other party arising out of this Agreement. If either party brings any Proceedings against the other party arising out of this contract, that party may bring that Proceeding only in a State court located in San Juan County, Utah (for claims that may only be resolved through the Federal courts, only in a Federal court located in Salt Lake City, Utah), and each party hereby submits to the exclusive jurisdiction of such courts for purposes of any such proceeding.

14. Appeals. Any adverse decision by the Board of Economic Development may be appealed to the SJC Appeal Authority within ten days of the receipt of a written decision from the SJC Board of Economic Development.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands effective the day and year first above written.

GRANT RECIPIENT:

SAN JUAN COUNTY

By: _____

Its: _____

By: _____

Its: Chief Administrative Officer