

**ECONOMIC ASSISTANCE AGREEMENT
(SRP Companies)**

DATE: _____ *November 27th* _____, 2018.

PARTIES: **TOWN OF CASTLE ROCK**, a home rule municipal corporation, 100 N. Wilcox Street, Castle Rock, Colorado 80104 (“Town”).

SOLARAY, LLC, a Colorado limited liability company, d/b/a **SRP Companies**, 401 S. Wilcox Street, Castle Rock, Colorado 80104 (“SRP”)

RECITALS:

A. Solar Ray Pugs (SRP) is a two-year-old Castle Rock based company formed out of a merger in 2016 between Pugs Gear (a 15-year-old Castle Rock based company) and Solar Ray (a 45-year-old company). SRP is a full-service category manager offering a customized suite of products (i.e. sunglasses, electronics, plush, novelty, apparel). SRP serves over 45,000 convenience stores, amusement parks and hospitality retail locations. As part of the merger, SRP was acquired by Aurora Capital and has experienced double digit organic growth. In addition, over the past 18 months SRP has acquired 7 new companies. The company’s North American footprint boasts a workforce of over 1,000 employees and the Castle Rock corporate office currently supports 35 employees.

B. SRP intends to relocate its corporate headquarters and employment base to the Mirage Dental building located at 85 Rio Grande Drive, Castle Rock, Colorado, and expand its employment base by an additional 30-40 positions. As of the date of this Agreement, SRP has entered into a lease of approximately 12,000 square feet at the Mirage Dental building for a primary term of two years, with a lessee option of renewal for a term of three years.

COVENANTS:

NOW, THEREFORE, in consideration of the premises, the parties agree as follows:

Section 1. Definitions. The following words when capitalized shall have the meaning set forth below:

1st Anniversary Date: one year from the Effective Date.

2nd Anniversary Date: two years from the Effective Date.

3rd Anniversary Date: three years from the Effective Date.

Agreement: this Economic Assistance Agreement between the Town and SRP.

CREDC: the Castle Rock Economic Development Council.

Effective Date: November 6, 2018

Incentive Cap: the limit on the total payments authorized under this Agreement of \$300,000.

Primary Job Incentive: \$7,500 per position created and filled under the terms of this Agreement.

Town Regulations: the Town Charter, ordinances, resolutions, rules and regulation of the Town, including the Castle Rock Municipal Code.

Certain other terms are defined in the text of the Agreement and shall have the meaning indicated.

Section 2. Castle Rock Economic Development Assistance Policy. The Castle Rock Economic Assistance Policy outlines goals related to targeted businesses. The policy states that the Town will provide economic assistance to “businesses consistent with community goals that are underrepresented within the corporate limits of the Town and/or meet a strongly expressed community need or desire.” Examples include “primary, quality employment, defined as (a) businesses that sell goods and/or services outside of the Town of Castle Rock, thereby bringing new dollars into the Town, and (b) the creation or retention of jobs meeting and matching Town resident workforce.”

The positions SRP proposes to add are consistent with the Town’s primary employment attraction criteria and are eligible for economic assistance from the Town in accordance with this Agreement. The Primary Job Incentive is a deciding factor on whether SRP will relocate its headquarters to the Mirage Dental building in Castle Rock, Colorado.

Section 3. Prerequisite for Primary Job Incentive. Irrespective of any other provision of this Agreement, SRP must provide Town with evidence that one of the following has occurred: (i) execution of a three year lease extension at the Mirage Dental location resulting in a total lease term of five years, (ii) purchase of the Mirage Dental building, or (iii) purchase of other property in the Town of Castle Rock and has commenced construction (building permit issuance) of the SRP campus (“Qualification Documentation”). The Qualification Documentation must be received by the Town no later than 18 month from the Effective Date of this Agreement (“Qualification Deadline”). In the event the Qualification Documentation is not provided within 18 months, this Agreement shall terminate and be of no further force or effect.

Section 4. Primary Job Incentive. To qualify for the Primary Job Incentive, a new position must be created and filled at the Mirage Dental location within 18 months of the Effective Date. The Primary Job Incentive paid to SRP will be based upon full-time equivalent (FTE) employment. Contract employees are not eligible for the Primary Job Incentive.

Section 5. Certification of Job Creation.

A. Subject to the Incentive Cap, payment of the Primary Job Incentive for positions qualifying under Section 4, shall be paid upon receipt and approval of the applicable Certification, as defined in B., below, as follows:

Position Created and Filled	Payment Accrual Date
Effective Date - 1 st Anniversary Date	$\frac{1}{2}$ payment on 2 nd Anniversary Date $\frac{1}{2}$ payment on 3 rd Anniversary Date
Between 1 st Anniversary Date and 18 months from Effective Date	3 rd Anniversary Date

B. Within thirty (30) days of the 2nd Anniversary Date, SRP shall submit to the CREDC and the Town Manager, a certification of the number of qualifying positions hired in accordance with 5.A, above. Within 30 thirty (30) days of the 3rd Anniversary Date, SRP shall make similar certification of the number of qualifying positions in accordance with 5.A, above. The certification shall include information regarding each position hired, and must include, job title, annual salary equivalent, employee residency status, date hired and certification the position is occupied on the date payment accrues as set forth in 5.A, above (“Certification”). The Certification shall be signed by the chief executive officer of SRP, or his/her designee. The Town and CREDC shall review the Certification, and the Town shall issue payment to SRP within fifteen (15) days of approval of the Certification. In the event the Certification is not approved, the parties will meet to resolve the objection by Town and CREDC. Irrespective of any other provision in this Agreement, no Certification shall be accepted by Town which is submitted 90 days after the 3rd Anniversary Date.

Section 6. Lapse of Agreement. In the event SRP does not relocate its corporate headquarters to the Mirage Dental building project by the June 2019, this Agreement shall lapse and be of no further force or effect, unless renewed by mutual agreement.

Section 7. Event of Default. Failure of Town or SRP to perform any covenant, agreement, obligation or provision of this Agreement shall constitute an event of default under this Agreement. In the event either party alleges that the other is in default, the non-defaulting party shall first notify the defaulting party in writing of such default, and specify the exact nature of the default in such notice.

Section 8. Remedies. Upon default of this Agreement and failure to timely commence cure within 60 days and continue to completion in a timely manner, the non-defaulting party shall have the right to take whatever action at law or in equity appears necessary or desirable to enforce performance and compliance with this Agreement, or to collect the monies then due and thereafter to become due, however in the event of a default without cure by SRP, the Town's sole remedy shall be to deny payments under this Agreement which become due to SRP after the event of default. In addition, no Party will be entitled to lost profits, economic damages, or actual, direct, incidental, consequential, punitive or exemplary damages in the event of a default.

Section 9. Assignment. This Agreement and the financial incentives extended to SRP are exclusive to SRP and are not assignable or transferable to any other property or party. This Agreement does not restrict the Town from extending financial incentives to any other project or enterprise offering similar services.

Section 10. Amendments. Any and all changes to this agreement, in order to be mutually effective and binding upon the parties and their successors, must be in writing.

Section 11. TABOR Compliance. In order to comply with the provisions of Article X, Section 20 of the Colorado Constitution ("TABOR"), the Town has set aside an irrevocable reserve in the amount of the Incentive Cap.

Section 12. Notice. The addresses of the parties to this Agreement are listed below. Any and all notices allowed or required to be given in accordance with this Agreement are deemed to have been given when delivered to the other parties or three days following the date the same is depositing in the United States mail, registered or certified, postage prepaid, return receipt requested, addressed to the other parties at the addresses noted, or such address as is subsequently endorsed in writing.

Town: Town Manager
Town of Castle Rock
100 N. Wilcox Street
Castle Rock, Colorado 80104

with copy to: Town Attorney
Town of Castle Rock
100 N. Wilcox Street
Castle Rock, CO 80104

SRP: Solaray, LLC
410 Wilcox Street
Castle Rock, CO 80104

Section 13. Entire Agreement. This instrument embodies the whole agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein,

and this Agreement shall supercede all previous communications, representations, or agreements, either verbal or written.

ATTEST:

TOWN OF CASTLE ROCK:

Lisa Anderson, Town Clerk

Jennifer Green, Mayor

Approved as to form:

Approved as to content:

Robert J. Slentz, Town Attorney

David L. Corliss, Town Manager

CASTLE ROCK ECONOMIC DEVELOPMENT COUNCIL:



Frank Gray, CEO

SOLARAY, LLC, a Colorado limited liability company
d/b/a **SRP COMPANIES**

By: 

Its: CEO