MEMORANDUM OF AGREEMENT

Between the City of Columbia Falls, Montana and Flathead County Library, Montana

This Memorandum of Agreement ("Agreement") is entered into by and between the **City of Columbia Falls, Montana**, a municipal corporation organized and existing under the laws of the State of Montana ("City"), and **Flathead County Library, Montana**, a political subdivision of the State of Montana and Flathead County ("County Library").

RECITALS

WHEREAS, the City desires to support the continued operation of a public library facility within the City of Columbia Falls for the benefit of City residents and the public; and

WHEREAS, funding assistance for the relocation of the library supports the City's efforts to realign limited City infrastructure to support expanding requirements for the City government, including City Court; and

WHEREAS, the County Library intends to acquire real property within the City of Columbia Falls for ownership and operation as a County library and community resource; and

WHEREAS, the parties desire to establish the terms and conditions under which the City, acting as the Urban Renewal District (URD) Board, will contribute funding toward the acquisition of such property.

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

1. Purpose

The purpose of this Agreement is to provide funding from the City to the County Library to facilitate the acquisition of real property within the City of Columbia Falls for development and operation of a County library and associated community services.

2. City's Funding Commitment

A. Subject to the terms and conditions of this Agreement, the City, acting as the URD Board, shall provide the County Library the sum of **One Million Dollars ($1,000,000.00)** for the exclusive purpose of acquiring real property to be used as a County library.

B. The City shall transmit the funds to the County Library not later than forty-eight (48) hours prior to the scheduled closing on the approved property.

C. The City's obligation to provide funding under this Agreement shall expire automatically if the County Library has not closed on an approved property on or before **June 30, 2028**. Why would there be a deadline? Does this give us time to locate a suitable property if our current choice falls through? Define closed.

3. Property Requirements

A. Any property proposed for acquisition using funds provided under this Agreement must:

1. Be located wholly within the corporate limits of the City of Columbia Falls; and What boundary is this? The TIF district boundary or the City boundary. Needs more clarity and definition.
2. Be mutually approved in writing by both the City and the County Library prior to acquisition. The City could reject a property for subjective reasons, which would delay the project. Add language that establishes a deadline. Include approval should not be "unreasonably withheld, conditioned, or delayed". If no response is received, approval is deemed granted.

B. Neither party shall be obligated to approve any proposed property, and acquisition funding shall not be provided until mutual written approval is obtained.

4. Use of Funds

A. The County Library shall use the City's contribution solely for the acquisition of the approved property.

B. If the purchase price of the approved property is less than One Million Dollars ($1,000,000.00), any remaining balance of the City's contribution may be used solely for capital expenditures related to the establishment of the library on the property, including but not limited to:

1. Architectural and engineering services;
2. Site planning and design;
3. Construction and reconstruction;
4. Renovation and remodeling;
5. Utility extensions and infrastructure improvements; and
6. Other capital improvements directly related to the development of the property as a library.

C. The funds shall not be used for general operating expenses, personnel costs, maintenance expenses, or any purpose unrelated to acquisition or capital improvements for the library property.

D. Any equipment, flooring, appliances, antiques, or other personal property included in the acquisition of the approved property may be retained for use in, or sold to raise funds for, the Columbia Falls Library relocation project. All proceeds from any such sale shall be separately accounted for and used exclusively for the acquisition, development, construction, renovation, furnishing, or equipping of the Columbia Falls Library, and shall not be transferred, diverted, or used for any other County purpose. This paragraph is not needed. Once the purchase is final, the discretion of what to do with all equipment is up to the County Library.

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5. Conveyance and Executory Interest

A. As a condition of receiving City funds under this Agreement, the County Library shall require that the deed conveying the property from the seller to Flathead County transfer title in fee simple and expressly provide that such ownership is subject to the City's executory interest as described herein. This paragraph is a concern. The library could invest millions of dollars beyond the City's 1 million, and still be at risk in losing the property.

B. The deed shall provide that, if at any time after acquisition the property ceases to be used principally as a public library or community center serving the residents of Columbia Falls and the surrounding area, title to the property shall automatically vest in the City, subject to applicable law and any rights expressly preserved in the deed.

"ceases to be used principally" is vague. What about temporary closures, renovations, disaster recoveries. Would like to replace the automatic transfer provision with language that limits the City's interest to a specific period (20 years).

C. The parties shall cooperate in preparing deed language sufficient to provide notice of and effectuate the City's executory interest and shall record all documents necessary to protect such interest in the records of Flathead County. The City must approve the deed language prior to sale.

D. The parties acknowledge their intent that the City retain a continuing future interest in the property to ensure that the public benefit funded by this Agreement is preserved.

6. Relocation Schedule

The County Library shall exercise due diligence and use commercially reasonable efforts to relocate library operations from City Hall according to a schedule intended to achieve complete vacation of the City Hall premises no later than **January 1, 2029**. This does not give room for any setbacks and issues that may take place. We suggest to extend the date to **6/30/2029**. This gives another 6 months to act if needed.

7. Term

This Agreement shall become effective upon execution by both parties and shall remain in effect unless terminated by mutual written agreement of the parties; provided, however, that any repayment obligations, property restrictions, or executory interests established herein shall survive termination.

8. Amendment

This Agreement may be amended only by a written instrument executed by both parties.

9. No Third-Party Beneficiaries

This Agreement is intended solely for the benefit of the City and the County Library and shall not be construed to create any rights in any third party.

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10. Compliance with Law

The parties shall comply with all applicable federal, state, and local laws in carrying out their obligations under this Agreement.

11. Notices

All notices required under this Agreement shall be in writing and delivered personally, by certified mail, or by recognized overnight delivery service to the following:

City

City Manager
City of Columbia Falls
130 6th Street West
Columbia Falls, MT 59912

County

County Library Executive Director
Flathead County
800 South Main Street
Kalispell, MT 59901

Either party may change its notice address by written notice to the other party.

12. Entire Agreement

This Agreement constitutes the entire agreement between the parties concerning the subject matter herein and supersedes all prior negotiations, discussions, and understandings.

The agreement should define an expiration date.

13. Counterparts and Electronic Signatures

This Agreement may be executed in counterparts, each of which shall be deemed an original. Signatures transmitted electronically shall be deemed originals for all purposes.

CITY OF COLUMBIA FALLS, MONTANA

By: _____

Name: _____

Title: _____

Date: _____

ATTEST:

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_____
City Clerk

FLATHEAD COUNTY, MONTANA

By: _____

Name: _____

Title: _____

Date: _____

ATTEST:

_____
County Clerk and Recorder

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