

COMPROMISE AND SETTLEMENT AGREEMENT

THIS AGREEMENT is entered into as of the 17th day of July, 2024, by and between BOX, INC. (hereinafter referred to as the "Taxpayer") and the City of Grand Junction (hereinafter the "City") (collectively, the "Parties").

RECITALS

The Taxpayer is now and has been engaged in cloud-based storage and software as a services ("SaaS") including security and compliance, collaboration between multiple parties for editing, reviewing and filesharing, integration of context from other sources, transfer of data between sources, e-signature, workflow automation, and sharing of content via mobile devices. Taxpayer's compliance with the City's Sales and Use Tax Code ("the Code") was audited for the period of May 1, 2020 through April 30, 2023 (the "Audit Period"). Upon completion of the audit, the City issued a Notice of Assessment (the "Assessment") to the Taxpayer dated February 27, 2024.

The Taxpayer submitted a formal written protest to the City on March 12, 2024 ("Protest"). The Taxpayer claims that it does not sell any tangible personal property and thus no sales tax is due. The City asserts that all the transactions included within the Assessment are taxable and that the tax, interest, and penalties in the amount of \$6,956.73 are due.

The Taxpayer discussed, negotiated, and agreed with the City, by and through its attorney, the desire to end the dispute upon the terms and conditions provided herein. By and with this Agreement, the Parties recognize that tax is due to the City from the date of this agreement forward, that Taxpayer will license with the City and remit as required, and the Audit Period will be resolved without either Party incurring additional legal fees or the need to resort to litigation of the Assessment.

The following provisions are mutually agreeable terms negotiated by and between and mutually acceptable to the Parties:

IN CONSIDERATION of the above recitals and the mutual covenants and agreements contained herein, Parties agree as follows:

1. The Parties hereby fully resolve the Assessment for the Audit Period and of Taxpayer's protest of the Assessment for the Audit Period (the "Protest").
2. The Parties agree that Taxpayer will license with the City on or before July 1, 2024, and will remit tax from the date of this agreement forward as applicable.
3. For transactions occurring before the date of this agreement, the City releases its claims in the Assessment and the Taxpayer releases its defenses in the Protest.
4. For or relating to transactions occurring after the date of this agreement, the Parties understand, stipulate and agree that Taxpayer's cloud-based storage and SaaS are taxable. Grand Junction Municipal Code ("GJMC") Section 3.12.070 specifically states that all

sales, leases, purchases of tangible personal property, and taxable services are taxable unless specifically exempted. "Tangible personal property" is defined in GJMC 3.12.030(a) as any item that can be "seen, weighed, measured, felt, touched, stored, transported, exchanged, or that is in any manner perceptible to the senses." Taxpayer agrees to adopt the City's interpretation that tangible personal property includes the cloud-storage and SaaS provided by Taxpayer.

5. The Parties acknowledge and agree to waive any and all other legal and equitable claims and defenses that each may have or may assert in support of their respective positions in the matter of the Assessment and relating to the Audit Period. This release of claims, demands or causes of action includes but is not limited to any and all claims, demands, obligations, actions, liabilities, damages and attorneys fees, known or unknown, of whatsoever kind and nature arising from or in any way arising out of the facts and circumstances related to the Assessment, Protest, or both.
6. The Parties agree that adequate consideration exists for and in support of the making of this Agreement as detailed more fully herein.
7. The Parties agree that adequate consideration exists for and in support of the waiver(s) that are made with and as a part of this Agreement as detailed more fully herein.
8. Except to the extent required by law or any legal or regulatory authority of competent jurisdiction, (a) neither Party shall at any time disclose confidential information relating to either Party, or make any use of such information other than to the extent necessary for the purpose of exercising or performing its rights and obligations under this agreement; and (b) neither Party shall make, or permit any person to make, a public announcement, communication or circular concerning this agreement without the prior written consent of the other Party.
9. The customary rule of construction that ambiguities in an agreement are construed against the drafter is expressly waived.
10. The representations and agreements of this Agreement are not mere recitals but are contractual in nature. An unjustified breach of this Agreement shall be a basis for reinstating any suit, claim or demand that either party may have against the other.
11. By the signatures below, the Parties acknowledge the foregoing and that any waiver, release and agreement are voluntarily made and are with full knowledge and understanding of the consequences. Furthermore, the Parties acknowledge that they have been represented by and have consulted with or has had the opportunity to consult with legal counsel prior to execution of this Agreement.
12. The Taxpayer by and through the signature below does bind all partners, officers and others claiming through the Taxpayer to the foregoing terms, conditions, stipulations and agreements. The Taxpayer represents that the signer has full and complete authority to bind


the Taxpayer and the partners, officers and other claiming through the Taxpayer to each and every term of this Agreement.

13. The City, by and through the signature below, does bind itself to the foregoing terms, conditions, stipulations and agreements.

14. Electronic signatures are acceptable and enforceable.


DATED as of the day and year first written above.

Box, Inc.



box SIGN 4252YVZ1-4KYPR7VP

Approved as to form and content:



box SIGN 4252YVZ1-4KYPR7VP

Box, Inc.

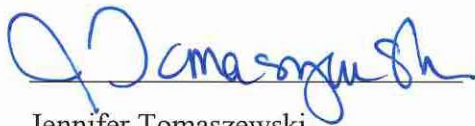
Harini Manikandan Tax Manager

City of Grand Junction



Andrea Phillips

Interim City Manager



Jennifer Tomaszewski

Finance Director

Approved as to form and content



DeLayne Merritt

Staff Attorney