

A G R E E M E N T

THIS AGREEMENT is made between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado (the “City”), and **NEW COMMUNITY TRANSFORMATION FUND - DENVER GP, LLC**, a Delaware limited liability company, whose address is 1031 33rd St., Denver, Colorado, 80205 (the “Contractor”), jointly “the parties”.

The parties agree as follows:

1. COORDINATION AND LIAISON: The Contractor shall fully coordinate all services under this Agreement with the Executive Director of Denver Economic Development & Opportunity (“Executive Director”) or the Executive Director’s Designee.

2. SERVICES TO BE PERFORMED:

a. As the Executive Director directs, the Contractor shall diligently undertake, perform, and complete all of the services and produce all the deliverables set forth on **Exhibit A, Scope of Work**, to the City’s satisfaction.

b. The Contractor is ready, willing, and able to provide the services required by this Agreement.

c. The Contractor shall faithfully perform the services in accordance with the standards of care, skill, training, diligence, and judgment provided by highly competent individuals performing services of a similar nature to those described in this Agreement and in accordance with the terms of this Agreement.

3. TERM: This Agreement will commence on August 1, 2022, and will expire on July 30, 2025 (the “Term”). Subject to the Executive Director’s prior written authorization, the Contractor shall complete any work in progress as of the expiration date and the Term of this Agreement will extend until the work is completed or earlier terminated by the Executive Director. The term of this Agreement may be extended by the City under the same terms and conditions for up to two (2) additional one (1) year renewal terms by a written amendment to this Agreement.

4. COMPENSATION AND PAYMENT:

a. Budget: The City shall pay and the Contractor shall accept as the sole compensation for services rendered and costs incurred under this Agreement the line item amounts set forth in the budget contained in **Exhibit B**. Amounts billed may not exceed the budget set forth in **Exhibit B**.

b. **Reimbursable Expenses:** There are no reimbursable expenses allowed under this Agreement. All of the Contractor's expenses are contained in the budget in **Exhibit B**.

c. **Invoicing:** The Contractor shall provide the City with a monthly invoice in a format and with a level of detail acceptable to the City including all supporting documentation required by the City. The City's Prompt Payment Ordinance, §§ 20-107 to 20-118, D.R.M.C., applies to invoicing and payment under this Agreement.

d. **Maximum Contract Amount:**

(1) Notwithstanding any other provision of this Agreement, the City's maximum payment obligation will not exceed **FIFTEEN MILLION ONE HUNDRED EIGHTY-SEVEN THOUSAND FOUR HUNDRED AND FIVE DOLLARS AND NO CENTS (\$15,187,405.00)** (the "Maximum Contract Amount"). The Maximum Contract Amount is further limited by the amount of applicable tax revenue available for the program as set forth in **Exhibit A**, which may vary during the Term. The City is not obligated to execute an Agreement or any amendments for any further services, including any services performed by the Contractor beyond that specifically described in **Exhibit A**. Any services performed beyond those in Exhibit A are performed at the Contractor's risk and without authorization under this Agreement.

(2) The City's payment obligation, whether direct or contingent, extends only to funds appropriated annually by the Denver City Council, paid into the Treasury of the City, and encumbered for the purpose of this Agreement. The City does not by this Agreement irrevocably pledge present cash reserves for payment or performance in future fiscal years. This Agreement does not and is not intended to create a multiple-fiscal year direct or indirect debt or financial obligation of the City.

5. **STATUS OF CONSULTANT:** The Contractor is an independent contractor retained to perform professional or technical services for limited periods of time. Neither the Contractor nor any of its employees are employees or officers of the City under Chapter 18 of the Denver Revised Municipal Code, or for any purpose whatsoever.

6. TERMINATION:

a. The City has the right to terminate this Agreement with cause upon written notice effective immediately, and without cause upon thirty (30) days prior written notice to the Contractor. However, nothing gives the Contractor the right to perform services under this Agreement beyond the time when its services become unsatisfactory to the Executive Director.

b. Notwithstanding the preceding paragraph, the City may terminate this Agreement if the Contractor or any of its officers or employees are convicted, plead *nolo contendere*, enter into a formal agreement in which they admit guilt, enter a plea of guilty or otherwise admit culpability to criminal offenses of bribery, kick backs, collusive bidding, bid-rigging, antitrust, fraud, undue influence, theft, racketeering, extortion or any offense of a similar nature in connection with the Contractor's business. Termination for the reasons stated in this paragraph is effective upon receipt of notice.

c. Upon termination of this Agreement, with or without cause, the Contractor shall have no claim against the City by reason of, or arising out of, incidental or relating to termination, except for compensation for work duly requested and satisfactorily performed as described in this Agreement.

d. If this Agreement is terminated, the City is entitled to and will take possession of all materials, equipment, tools and facilities it owns that are in the Contractor's possession, custody, or control by whatever method the City deems expedient. The Contractor shall deliver all documents in any form that were prepared under this Agreement and all other items, materials and documents that have been paid for by the City to the City. These documents and materials are the property of the City. The Contractor shall mark all copies of work product that are incomplete at the time of termination "DRAFT-INCOMPLETE".

7. MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE REQUIREMENTS:

a. This Agreement is subject to Article V of Chapter 28, Denver Revised Municipal Code ("D.R.M.C."), designated as §§ 28-117 to 28-199 (the "Goods and Services Ordinance"); and any Rules and Regulations promulgated pursuant thereto. The

contract goal for MWBE participation established for this Agreement by the Division of Small Business Opportunity (“DSBO”) is 50%.

b. Under § 28-132, D.R.M.C., the Contractor has an ongoing, affirmative obligation to maintain for the duration of this Agreement, at a minimum, compliance with the MWBE participation upon which this Agreement was awarded, unless there is a change in the work by the City under § 28-133, D.R.M.C. The Contractor acknowledges that:

(1) If directed by DSBO, the Contractor is required to develop and comply with an approved Utilization Plan and the requirements therein, in accordance with § 28-129(c), D.R.M.C. Along with the Utilization Plan requirements, the Contractor must establish and maintain records and submit regular reports, as directed by DSBO, which will allow the City to assess progress in complying with the Utilization Plan and achieving the MWBE participation goal. The Utilization Plan is subject to modification by DSBO.

(2) If contract modifications are issued under the Agreement, whether by amendment or otherwise, the Contractor shall have a continuing obligation to promptly inform DSBO in writing of any agreed upon increase or decrease in the scope of work of such contract, upon any of the bases under § 28-133, D.R.M.C., regardless of whether such increase or decrease in scope of work has been reduced to writing at the time of notification of the change to the City.

(3) If there are changes in the work that include an increase in scope of work under this Agreement, whether by amendment or otherwise, which increases the dollar value of the contract, whether or not such change is within the scope of work designated for performance by an MWBE at the time of contract award, such change or modification shall be immediately submitted to DSBO for notification purposes.

(4) Those amendments or other modifications that involve a changed scope of work that cannot be performed by existing subcontractors shall be subject to the original goal on the contract. The Contractor shall satisfy such goal with respect to the changed scope of work by soliciting new MWBEs

in accordance with §§ 28-133, D.R.M.C. The Contractor must also satisfy the requirements under §§ 28-128 and 28-136, D.R.M.C., with regard to changes in MWBE scope or participation. The Contractor shall supply to DSBO all required documentation under §§ 28-128, 28-133, and 28-136, D.R.M.C., with respect to the modified dollar value or work under the contract.

(5) If applicable, for contracts of one million dollars (\$1,000,000.00) and over, the Contractor is required to comply with § 28-135, D.R.M.C., regarding prompt payment to MWBEs. Payment to MWBE subcontractors shall be made by no later than thirty-five (35) days after receipt of the MWBE subcontractor's invoice.

(6) Termination or substitution of an SBE subcontractor requires compliance with § 28-136, D.R.M.C.

(7) Failure to comply with these provisions including the Utilization Plan and any modifications thereto may subject the Contractor to sanctions set forth in § 28-139 of the Goods and Services Ordinance.

(8) Should any questions arise regarding DSBO requirements, the Contractor should consult the Goods and Services Ordinance or may contact the designated DSBO representative at (720) 913-1999.

8. EXAMINATION OF RECORDS: Any authorized agent of the City, including the City Auditor or his or her representative, has the right to access, and the right to examine, copy and retain copies, at City's election in paper or electronic form, any pertinent books, documents, papers and records related to Contractor's performance pursuant to this agreement, provision of any goods or services to the City, and any other transactions related to this Agreement. The Contractor shall cooperate with City representatives and City representatives shall be granted access to the forgoing documents and information during reasonable business hours and until the latter of three (3) years after the final payment under this Agreement or expiration of the applicable statute of limitations. When conducting an audit of this Agreement, the City Auditor shall be subject to government auditing standards issued by the United States Government Accountability Office by the Comptroller General of the United States, including with respect to disclosure of information acquired during the course of an audit. No examination of records and audits pursuant

to this paragraph shall require Contractor to make disclosures in violation of state or federal privacy laws. Contractor shall at all time comply with D.R.M.C. 20-276.

9. WHEN RIGHTS AND REMEDIES NOT WAIVED: In no event will any payment or other action by the City constitute or be construed to be a waiver by the City of any breach of covenant or default that may then exist on the part of the Contractor. No payment, other action, or inaction by the City when any breach or default exists will impair or prejudice any right or remedy available to it with respect to any breach or default. No assent, expressed or implied, to any breach of any term of this Agreement constitutes a waiver of any other breach.

10. INSURANCE:

a. General Conditions: The Contractor agrees to secure, at or before the time of execution of this Agreement, the following insurance covering all operations, goods or services provided pursuant to this Agreement. The Contractor shall keep the required insurance coverage in force at all times during the term of this Agreement, including any extension thereof, and during any warranty period. The required insurance shall be underwritten by an insurer licensed or authorized to do business in Colorado and rated by A.M. Best Company as "A-VIII" or better. Each policy shall require notification to the City in the event any of the required policies be canceled or non-renewed before the expiration date thereof. Such written notice shall be sent to the parties identified in the Notices section of this Agreement. Such notice shall reference the City contract number listed on the signature page of this Agreement. Said notice shall be sent thirty (30) days prior to such cancellation or non-renewal unless due to non-payment of premiums for which notice shall be sent ten (10) days prior. If such written notice is unavailable from the insurer, the Contractor shall provide written notice of cancellation, non-renewal and any reduction in coverage to the parties identified in the Notices section by certified mail, return receipt requested within three (3) business days of such notice by its insurer(s) and referencing the City's contract number. The Contractor shall be responsible for the payment of any deductible or self-insured retention. The insurance coverages specified in this Agreement are the minimum requirements, and these requirements do not lessen or limit the liability of the Contractor. The Contractor shall maintain, at its own expense, any additional kinds or amounts of insurance that it may deem necessary to cover its obligations and liabilities under this Agreement.

b. Proof of Insurance: The Contractor may not commence services or work relating to this Agreement prior to placement of coverages required under this Agreement. The Contractor certifies that the certificate of insurance attached as **Exhibit C**, preferably an ACORD form, complies with all insurance requirements of this Agreement. The City requests that the City's contract number be referenced on the certificate of insurance. The City's acceptance of a certificate of insurance or other proof of insurance that does not comply with all insurance requirements set forth in this Agreement shall not act as a waiver of the Contractor's breach of this Agreement or of any of the City's rights or remedies under this Agreement. The City's Risk Management Office may require additional proof of insurance, including but not limited to policies and endorsements.

c. Additional Insureds: For Commercial General Liability, Auto Liability and Excess Liability/Umbrella (if required), the Contractor and subContractor's insurer(s) shall include the City and County of Denver, its elected and appointed officials, employees and volunteers as additional insured.

d. Waiver of Subrogation: For all coverages required under this Agreement, the Contractor's insurer shall waive subrogation rights against the City.

e. Subcontractors and Subconsultants: The Contractor shall confirm and document that all subcontractors and subconsultants (including independent contractors, suppliers or other entities providing goods or services required by this Agreement) procure and maintain coverage as approved by the Contractor and appropriate to their respective primary business risks considering the nature and scope of services provided.

f. Workers' Compensation/Employer's Liability Insurance: The Contractor shall maintain the coverage as required by statute for each work location and shall maintain Employer's Liability insurance with limits of \$100,000 per occurrence for each bodily injury claim, \$100,000 per occurrence for each bodily injury caused by disease claim, and \$500,000 aggregate for all bodily injuries caused by disease claims.

g. Commercial General Liability: The Contractor shall maintain a Commercial General Liability insurance policy with minimum limits of \$1,000,000 for each bodily injury and property damage occurrence, \$2,000,000 products and completed operations aggregate (if applicable), and \$2,000,000 policy aggregate.

h. Business Automobile Liability: [Intentionally omitted.]

i. **Professional Liability (Errors & Omissions):** The Contractor shall maintain minimum limits of \$1,000,000 per claim and \$1,000,000 policy aggregate limit. The policy shall be kept in force, or a Tail policy placed, for three (3) years for all contracts except construction contracts for which the policy or Tail shall be kept in place for eight (8) years.

j. **Cyber Liability:** The Contractor shall maintain Cyber Liability coverage with minimum limits of \$1,000,000 per occurrence and \$1,000,000 policy aggregate covering claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. If Claims Made, the policy shall be kept in force, or a Tail policy placed, for three (3) years.

k. **Commercial Crime including Client Coverage:** The Contractor shall maintain minimum limits of \$1,000,000 in commercial crime coverage. Coverage shall include theft of City's money, securities or valuable property by contractor's employees, including any extended definition of employee. Policy shall include Client Coverage. The City and County of Denver shall be named as Loss Payee as their interests may appear.

11. DEFENSE AND INDEMNIFICATION:

a. The Contractor hereby agrees to defend, indemnify, reimburse and hold harmless the City, its appointed and elected officials, agents and employees for, from and against all liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or relating to the work performed under this Agreement ("Claims"), unless such Claims have been specifically determined by the trier of fact to be the sole negligence or willful misconduct of the City. This indemnity shall be interpreted in the broadest possible manner to indemnify the City for any acts or omissions of the Contractor or its subcontractors either passive or active, irrespective of fault, including the City's concurrent negligence whether active or passive, except for the sole negligence or willful misconduct of the City.

b. The Contractor's duty to defend and indemnify the City shall arise at the time written notice of the Claim is first provided to the City regardless of whether Claimant has filed suit on the Claim. The Contractor's duty to defend and indemnify the City shall

arise even if the City is the only party sued by claimant and/or claimant alleges that the City's negligence or willful misconduct was the sole cause of claimant's damages.

c. The Contractor will defend any and all Claims which may be brought or threatened against the City and will pay on behalf of the City any expenses incurred by reason of such Claims including, but not limited to, court costs and attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity obligation. Such payments on behalf of the City shall be in addition to any other legal remedies available to the City and shall not be considered the City's exclusive remedy.

d. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation. The Contractor shall obtain, at its own expense, any additional insurance that it deems necessary for the City's protection.

e. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

12. TAXES, CHARGES AND PENALTIES: The City is not liable for the payment of taxes, late charges or penalties of any nature, except for any additional amounts that the City may be required to pay under the City's prompt payment ordinance D.R.M.C. § 20-107, *et seq.* The Contractor shall promptly pay when due, all taxes, bills, debts and obligations it incurs performing the services under this Agreement and shall not allow any lien, mortgage, judgment or execution to be filed against City property.

13. ASSIGNMENT; SUBCONTRACTING: The Contractor shall not voluntarily or involuntarily assign any of its rights or obligations, or subcontract performance obligations, under this Agreement without obtaining the Executive Director's prior written consent. Any assignment or subcontracting without such consent will be ineffective and void, and will be cause for termination of this Agreement by the City. The Executive Director has sole and absolute discretion whether to consent to any assignment or subcontracting, or to terminate this Agreement because of unauthorized assignment or subcontracting. In the event of any subcontracting or unauthorized assignment: (i) the Contractor shall remain responsible to the City; and (ii) no contractual relationship shall be created between the City and any sub-consultant, subcontractor or assign.

14. **INUREMENT:** The rights and obligations of the parties to this Agreement inure to the benefit of and shall be binding upon the parties and their respective successors and assigns, provided assignments are consented to in accordance with the terms of this Agreement.

15. **NO THIRD PARTY BENEFICIARY:** Enforcement of the terms of this Agreement and all rights of action relating to enforcement are strictly reserved to the parties. Nothing contained in this Agreement gives or allows any claim or right of action to any third person or entity. Any person or entity other than the City or the Contractor receiving services or benefits pursuant to this Agreement is an incidental beneficiary only.

16. **NO AUTHORITY TO BIND CITY TO CONTRACTS:** The Contractor lacks any authority to bind the City on any contractual matters. Final approval of all contractual matters that purport to obligate the City must be executed by the City in accordance with the City's Charter and the Denver Revised Municipal Code.

17. **SEVERABILITY:** Except for the provisions of this Agreement requiring appropriation of funds and limiting the total amount payable by the City, if a court of competent jurisdiction finds any provision of this Agreement or any portion of it to be invalid, illegal, or unenforceable, the validity of the remaining portions or provisions will not be affected, if the intent of the parties can be fulfilled.

18. **CONFLICT OF INTEREST:**

a. No employee of the City shall have any personal or beneficial interest in the services or property described in this Agreement. The Contractor shall not hire, or contract for services with, any employee or officer of the City that would be in violation of the City's Code of Ethics, D.R.M.C. §2-51, et seq. or the Charter §§ 1.2.8, 1.2.9, and 1.2.12.

b. The Contractor shall not engage in any transaction, activity or conduct that would result in a conflict of interest under this Agreement. The Contractor represents that it has disclosed any and all current or potential conflicts of interest. A conflict of interest shall include transactions, activities or conduct that would affect the judgment, actions or work of the Contractor by placing the Contractor's own interests, or the interests of any party with whom the Contractor has a contractual arrangement, in conflict with those of the City. The City, in its sole discretion, will determine the existence of a conflict of interest and may terminate this Agreement if it determines a conflict exists, after it has given the Contractor written notice describing the conflict.

19. NOTICES: All notices required by the terms of this Agreement must be hand delivered, sent by overnight courier service, mailed by certified mail, return receipt requested, or mailed via United States mail, postage prepaid, if to Contractor at the address first above written, and if to the City at:

Executive Director of Denver Economic Development & Opportunity or Designee
101 W. Colfax, Suite 850
Denver, CO 80202

With a copy of any such notice to:

Denver City Attorney's Office
1437 Bannock St., Room 353
Denver, Colorado 80202

Notices hand delivered or sent by overnight courier are effective upon delivery. Notices sent by certified mail are effective upon receipt. Notices sent by mail are effective upon deposit with the U.S. Postal Service. The parties may designate substitute addresses where or persons to whom notices are to be mailed or delivered. However, these substitutions will not become effective until actual receipt of written notification.

20. NO EMPLOYMENT OF A WORKER WITHOUT AUTHORIZATION TO PERFORM WORK UNDER THIS AGREEMENT:

a. This Agreement is subject to Division 5 of Article IV of Chapter 20 of the Denver Revised Municipal Code, and any amendments (the "Certification Ordinance").

b. The Contractor certifies that:

(1) At the time of its execution of this Agreement, it does not knowingly employ or contract with a worker without authorization who will perform work under this Agreement, nor will it knowingly employ or contract with a worker without authorization to perform work under this Agreement in the future.

(2) It will participate in the E-Verify Program, as defined in § 8-17.5-101(3.7), C.R.S., and confirm the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement.

(3) It shall not enter into a contract with a subconsultant or subcontractor that fails to certify to the Contractor that it shall not

knowingly employ or contract with a worker without authorization to perform work under this Agreement.

(4) It is prohibited from using either the E-Verify Program procedures to undertake pre-employment screening of job applicants while performing its obligations under this Agreement, and it is required to comply with any and all federal requirements related to use of the E-Verify Program including, by way of example, all program requirements related to employee notification and preservation of employee rights.

(5) If it obtains actual knowledge that a subconsultant or subcontractor performing work under this Agreement knowingly employs or contracts with a worker without authorization, it will notify such subconsultant or subcontractor and the City within three (3) days. The Contractor shall also terminate such subconsultant or subcontractor if within three (3) days after such notice the subconsultant or subcontractor does not stop employing or contracting with the worker without authorization, unless during such three-day period the subconsultant or subcontractor provides information to establish that the subconsultant or subcontractor has not knowingly employed or contracted with a worker without authorization.

(6) It will comply with any reasonable request made in the course of an investigation by the Colorado Department of Labor and Employment under authority of § 8-17.5-102(5), C.R.S., or the City Auditor, under authority of D.R.M.C. 20-90.3.

c. The Contractor is liable for any violations as provided in the Certification Ordinance. If Contractor violates any provision of this section or the Certification Ordinance, the City may terminate this Agreement for a breach of this Agreement. If this Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the City. Any such termination of a contract due to a violation of this section or the Certification Ordinance may also, at the discretion of the City, constitute grounds for disqualifying the Contractor from submitting bids or proposals for future contracts with the City.

21. DISPUTES: All disputes between the City and the Contractor arising out of or regarding this Agreement will be resolved by administrative hearing pursuant to the procedure established by D.R.M.C. § 56-106(b)-(f). For the purposes of that administrative procedure, the City official rendering a final determination shall be the Executive Director as defined in this Agreement.

22. GOVERNING LAW; VENUE: This Agreement will be construed and enforced in accordance with applicable federal law, the laws of the State of Colorado, and the Charter, Revised Municipal Code, ordinances, regulations and Executive Orders of the City and County of Denver, which are expressly incorporated into this Agreement. Unless otherwise specified, any reference to statutes, laws, regulations, charter or code provisions, ordinances, executive orders, or related memoranda, includes amendments or supplements to same. Venue for any legal action relating to this Agreement will be in the District Court of the State of Colorado, Second Judicial District (Denver District Court).

23. NO DISCRIMINATION IN EMPLOYMENT: In connection with the performance of work under this Agreement, the Contractor may not refuse to hire, discharge, promote, demote, or discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, ethnicity, citizenship, immigration status, gender, age, sexual orientation, gender identity, gender expression, marital status, source of income, military status, protective hairstyle, or disability. The Contractor shall insert the foregoing provision in all subcontracts.

24. COMPLIANCE WITH ALL LAWS: The Contractor shall perform or cause to be performed all services in full compliance with all applicable laws, rules, regulations and codes of the United States, the State of Colorado; and with the Charter, ordinances, rules, regulations and Executive Orders of the City and County of Denver. The Contractor acknowledges that the source of the funds provided by the City will be, in whole or in part, from cannabis sales tax revenue, and the Contractor must comply with applicable law governing the use of such funds.

25. LEGAL AUTHORITY: The Contractor represents and warrants that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, to enter into this Agreement. Each person signing and executing this Agreement on behalf of the Contractor represents and warrants that he has been fully authorized by the Contractor to execute this Agreement on behalf of the Contractor and to validly and legally bind

the Contractor to all the terms, performances and provisions of this Agreement. The City shall have the right, in its sole discretion, to either temporarily suspend or permanently terminate this Agreement if there is a dispute as to the legal authority of either the Contractor or the person signing this Agreement to enter into this Agreement.

26. NO CONSTRUCTION AGAINST DRAFTING PARTY: The parties and their respective counsel have had the opportunity to review this Agreement, and this Agreement will not be construed against any party merely because any provisions of this Agreement were prepared by a particular party.

27. ORDER OF PRECEDENCE: In the event of any conflicts between the language of this Agreement and the exhibits, the language of this Agreement controls.

28. INTELLECTUAL PROPERTY RIGHTS: The City and the Contractor intend that all property rights to any and all materials, text, logos, documents, booklets, manuals, references, guides, brochures, advertisements, URLs, domain names, music, sketches, web pages, plans, drawings, prints, photographs, specifications, software, data, products, ideas, inventions, and any other work or recorded information created by the Contractor and paid for by the City pursuant to this Agreement, in preliminary or final form and on any media whatsoever (collectively, "Materials"), shall belong to the City. The Contractor shall disclose all such items to the City and shall assign such rights over to the City upon completion of the Project. To the extent permitted by the U.S. Copyright Act, 17 USC § 101, *et seq.*, the Materials are a "work made for hire" and all ownership of copyright in the Materials shall vest in the City at the time the Materials are created. To the extent that the Materials are not a "work made for hire," the Contractor (by this Agreement) sells, assigns and transfers all right, title and interest in and to the Materials to the City, including the right to secure copyright, patent, trademark, and other intellectual property rights throughout the world and to have and to hold such rights in perpetuity.

29. SURVIVAL OF CERTAIN PROVISIONS: The terms of this Agreement and any exhibits and attachments that by reasonable implication contemplate continued performance, rights, or compliance beyond expiration or termination of this Agreement survive this Agreement and will continue to be enforceable. Without limiting the generality of this provision, the Contractor's obligations to provide insurance and to indemnify the City will survive for a period equal to any and all relevant statutes of limitation, plus the time necessary to fully resolve any claims, matters, or actions begun within that period.

30. ADVERTISING AND PUBLIC DISCLOSURE: The Contractor shall not include any reference to this Agreement or to services performed pursuant to this Agreement in any of the Contractor's advertising or public relations materials without first obtaining the written approval of the Executive Director. Any oral presentation or written materials related to services performed under this Agreement will be limited to services that have been accepted by the City. The Contractor shall notify the Executive Director in advance of the date and time of any presentation. Nothing in this provision precludes the transmittal of any information to City officials.

31. CONFIDENTIAL INFORMATION:

a. City Information: The Contractor acknowledges and accepts that, in performance of all work under the terms of this Agreement, the Contractor may have access to Proprietary Data or confidential information that may be owned or controlled by the City, and that the disclosure of such Proprietary Data or information may be damaging to the City or third parties. The Contractor agrees that all Proprietary Data, confidential information or any other data or information provided or otherwise disclosed by the City to the Contractor shall be held in confidence and used only in the performance of its obligations under this Agreement. The Contractor shall exercise the same standard of care to protect such Proprietary Data and information as a reasonably prudent consultant would to protect its own proprietary or confidential data. "Proprietary Data" shall mean any materials or information which may be designated or marked "Proprietary" or "Confidential", or which would not be documents subject to disclosure pursuant to the Colorado Open Records Act or City ordinance, and provided or made available to Contractor by the City. Such Proprietary Data may be in hardcopy, printed, digital or electronic format.

32. ACCESS TO FEDERAL TAXPAYER INFORMATION:

a. Performance: In performance of this contract, the Contractor agrees to comply with and assume responsibility for compliance by his, her or its employees with the following requirements:

- (1) All work will be done under the supervision of the Contractor or the Contractor's employees.
- (2) Any tax return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this

contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the Contractor will be prohibited.

(3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.

(4) The Contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the Contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.

(5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.

(6) All computer systems processing, storing, or transmitting federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.

(7) No work involving federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.

(8) The Contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.

(9) The agency will have the right to void the contract if the Contractor fails to provide the safeguards described above.

b. Criminal/Civil Sanctions:

(1) Each officer or employee or any person to whom returns or return information is or may be disclosed will be notified in writing. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

(2) Each officer or employee or any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as one (1) year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee (United States for federal employees) in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the

plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

(3) Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established under it, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

c. **Inspection:** The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the Contractor for inspection of the facilities and operations provided for the performance of any work under this Agreement. On the basis of such inspection, specific measures may be required in cases where the Contractor is found to be noncompliant with contract safeguards.

33. CITY EXECUTION OF AGREEMENT: This Agreement will not be effective or binding on the City until it has been fully executed by all required signatories of the City and County of Denver, and if required by Charter, approved by the City Council.

34. AGREEMENT AS COMPLETE INTEGRATION-AMENDMENTS: This Agreement is the complete integration of all understandings between the parties as to the subject matter of this Agreement. No prior, contemporaneous or subsequent addition, deletion, or other modification has any force or effect, unless embodied in this Agreement in writing. No oral representation by any officer or employee of the City at variance with the terms of this Agreement or any written amendment to this Agreement will have any force or effect or bind the City.

35. USE, POSSESSION OR SALE OF ALCOHOL OR DRUGS: The Contractor shall cooperate and comply with the provisions of Executive Order 94 and its Attachment A concerning the use, possession or sale of alcohol or drugs. Violation of these provisions or refusal to cooperate with implementation of the policy can result in contract personnel being barred from City facilities and from participating in City operations.

36. ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS: The Contractor consents to the use of electronic signatures by the City. This Agreement, and any other documents requiring a signature under this Agreement, may be signed electronically by the City in the manner specified by the City. The Parties agree not to deny the legal effect or enforceability of this Agreement solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of this Agreement in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK;
SIGNATURE PAGES FOLLOW.]**

Contract Control Number: OEDEV-202264977-00
Contractor Name: NEW COMMUNITY TRANSFORMATION FUND – DENVER GP, LLC

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of:

SEAL

CITY AND COUNTY OF DENVER:

ATTEST:

By:

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

Attorney for the City and County of Denver

By:

By:

By:

Contract Control Number:
Contractor Name:

OEDEV-202264977-00
NEW COMMUNITY TRANSFORMATION FUND –
DENVER GP, LLC

By:  _____
0636CA506244483...

Name: Danielle Shoots
(please print)

Title: Founding Partner and Managing Director
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)

EXHIBIT A

Scope of Work

The New Community Transformation Fund – Denver (NCTF-D) Administration and Programming of the City and County of Denver Herman Malone Fund and related business support services

1. INTRODUCTION AND OBJECTIVE

Period of Performance Start and End Dates: Initial agreement period of August 1, 2022 – July 30, 2025, with two one-year extensions based on performance.

The purpose of this agreement is to provide a three-year award not to exceed \$15,187,405. Funding is based on 1% of sales tax dollars generated from cannabis sales in Denver. Funding must be approved each year through Denver Economic Development and Opportunity (DEDO) and assessment of the sales tax dollars collected. These funds will be provided to New Community Transformation Fund – Denver (the Contractor) to be utilized for the Herman Malone Fund (The Fund).

DEDO, through The Fund, is seeking to increase investment in entrepreneurs and small businesses (“Business Participants”) with a new, progressive approach that will focus on providing capital to small businesses seeking to start, restart, restructure, improve upon or grow in their endeavors. The Fund will focus on strengthening Denver’s economic diversity while providing quality job opportunities, ensuring a pipeline of entrepreneurs and small business startups, and creating generational wealth for Denver’s business owners who have historically lacked investment opportunities. DEDO anticipates private, nonprofit, and/or other investment partners to bring funding to this endeavor to strengthen this impactful investment into Denver’s business community.

The Fund will promote a public purpose by stimulating equitable economic development through Denver-based business start-up and business expansion support which creates and maintains job opportunities for City residents while contributing to overall wealth building in Denver. The Fund further promotes a public purpose by the generation of tax revenues.

The Fund will level the playing field for small businesses in Denver that have been traditionally under-resourced because Denver’s prosperity has not been spread equally across the business community and business hopefuls. Denver businesses should have access to the funding and tools they need to be successful in this market. The Fund will be designed to assess and address the needs of businesses from multiple angles, ensuring that equitable access to capital and resources are the foundation of the program.

2. DESCRIPTION OF ACTIVITY AND TASKS TO PERFORMED:

The purpose of this agreement is to provide a not to exceed award for up to \$15,187,405 as set forth in Exhibit B – Program and Cost Allocation Plan Summary and Budget Narrative. The Contractor will administer The Fund city-wide, serving as the prime contractor, and utilizing suitable and qualified community partners as appropriate to deliver professional services, financing, and technical assistance to qualified businesses participating in The Fund.

The services to be performed by the Contractor include but are not limited to:

- 2.1. Develop an ecosystem of Technical Assistance and Professional Service partners (“Subcontractors”) qualified to provide supports including and not limited to:

- Achieving MWBE certifications
- Back Office Supports including and not limited to accounting, legal, human resources.
- Providing Professional Services and Technical Assistance and assessment to prepare business participants to receive capital. Capital readiness is determined by the type of capital needed and the business participants understanding of how to use the capital effectively once received. Each business participant will have different needs based on the type of capital and intended purpose of that capital.
- Marketing
- Mentorship and relationship building
- Starting a business
- Technology enablement and literacy

2.2. Develop a pipeline of Business Participants that will be supported with capital readiness resources and hands-on technical assistance and/or professional services supports.

2.3. Deliver services in a culturally relevant manner.

2.4. Conduct due diligence on Business Participants to determine capital readiness in a manner to address the systemic inequities faced by firms.

2.5. Directly invest in capital ready firms through one or more of the financial offerings available through the Contractor's network as resources allow.

2.6. Continuously seek additional funding for both operational and programmatic capital, as well as partnership building across the ecosystem.

2.7. City and County of Denver funding under this agreement shall be available only to Business Participants meeting the following criteria:

- a. physically located within the boundaries of the City and County of Denver at the time of funding and for a minimum of three years after.
- b. be registered with Colorado Secretary of State's Office
- c. be engaged in activities that are legal under Colorado law
- d. meets program technical requirements including ability to provide financial records
- e. be in good standing with local, state, and federal taxing and licensing authorities

2.8. Contractor shall prioritize available professional services, financing, and/or technical assistance to Business Participants in the following categories:

- a. Are majority owned low-to-moderate income individuals (as defined by U.S. Department of Housing and Urban Development) who desire to own or strengthen existing businesses, develop assets, and empower themselves financially, and/or
- b. Have strong links to neighborhood placemaking/preservation, and/or
- c. Support and encourage employee ownership, and/or

- d. Located in Denver’s NEST neighborhoods, Denver’s Enterprise Zones, neighborhoods where businesses are displacement vulnerable as determined by DEDO

3.0 USE OF FUNDS

The Contractor will disburse funds to eligible businesses and compensate Subcontractors that provide professional services, financing, and technical assistance to participating businesses. Technical assistance provided directly by the Contractor (in-house) is eligible for funding as well. Funds also provide management and administration support to the Contractor for the administration of the program.

The program will provide funding streams and business support services to qualified businesses under the following categories:

- Venture Investments to capital ready businesses that qualify upon completion of a comprehensive due diligence process performed by the Contractor.
- Investment Financing vehicles to support early-stage start-ups to include but not limited to debt financing round financing to support early-stage businesses that do not have a personal network capable of providing early-stage funding support.
- Professional Services that address finance and accounting, business plan development, legal services, marketing, MWBE certification, and Human Resources needs that support businesses through growth and expansion phases.
- Immediate Technical Assistance as described in Funding for Professional Services and Technical Assistance of the below chart as well as longer-term technical assistance needs and other strategies to support business participants and provide business capacity building as detailed in the Working Guide.

| Investment Types | Investment Levels Per Company |
|---|--|
| Venture Investments into capital ready businesses | Per Contractor’s internal investment policies |
| Investment Financing vehicles to support early-stage start-ups to include but not limited to debt financing | Per Contractor’s and selected partner’s internal funding policies |
| Funding for Professional Services and Technical Assistance | To Contractor or Subcontractors for support to Business Participants in the following areas: finance and accounting, business plan development, legal services, marketing, MWBE certification, and human resources |

4.0 IMPLEMENTATION PLAN AND TIMELINE

The following table outlines the implementation plan and timelines for this agreement.

| TASK | DATES |
|--|--|
| In collaboration with DEDO, finalize program | Contract Execution Date – December 2022 |
| In collaboration with DEDO, define and finalize marketing and outreach plan | Contract Execution Date – December 2022 Ongoing |
| Contractor will finalize Subcontractor agreements for professional services and technical services | Contract Execution Date – December 2022 |
| Contractor will activate Subcontractor network to begin developing Business Participant Pipeline | Contract Execution Date – June 2023 Ongoing |
| Contractor start deploying investment funds to Business Participants | Contract Execution Date – June 2023 Ongoing |

ROLES & RESPONSIBILITIES

The roles and responsibilities of each party in connection with the Services are reflected below. The subsequent sections of this Exhibit “A” provide greater specifications on fund execution with references to associated roles and responsibilities.

5.1 DEDO RESPONSIBILITIES

- Provide a list and description of the City and County of Denver’s priority neighborhoods.
- In collaboration with Contractor, actively promote The Fund.
- Participate in monthly meetings.
- Review all reports in a timely manner.
- Assign a team of 2-3 people who will work closely with Contractor focused on program, data, and finance topics.
- City shall make all attempts to work cooperatively with Contractor in the pursuit of executing a successful fund, which includes open communication.
- Advise and approve Contractor’s ecosystem partners funded by this agreement.
- Serve on Contractor’s Investment Committee and/or Investment Advisory Committee based on qualifications overseeing funding decisions (2 seats).
- Serve on Contractor’s Board of Advisors (1 seat).

5.2 CONTRACTOR RESPONSIBILITIES

- Contractor will employ a full time Managing Director and Co-Managing Director.
- Contractor, in collaboration with DEDO, actively promote the Fund.

- Contractor will co-locate staff and partners in up to three DEDO identified space(s) up to three days a week.
- Contractor will identify and screen prospective businesses and entrepreneurs for eligibility and provide in house or through sub-contractor's professional services, financing, and technical assistance as resources allow.
- Contractor will create and update as needed a suitable intake process and tracking mechanism for prospective businesses being considered for funding or services.
- Contractor will conduct due diligence and underwriting.
- Contractor will collect all necessary documentation to successfully move prospective businesses through the pipeline and connect them to the appropriate resources.
- Contractor will advise DEDO if any subcontractor leaves the ecosystem network.
- Contractor will obtain DEDO approval from the Executive Director or designee of any new ecosystem partner.
- Contractor will notify DEDO of any internal policy changes prior to becoming effective.
- Contractor will convene a monthly meeting with DEDO to review and discuss the fund.
- Contractor will prepare and maintain investment documentation, maintain audit-ready electronic filing system, and perfect collateral.
- Contractor will conduct investment servicing: Service all investments under the fund including collections, payment reminders, past due Business Participants communications, recording and tracking loan transactions, performance tracking and other items as requested by DEDO.
- Contractor will provide reporting as requested and outlined in the reporting section to the City on a regular and consistent basis and special requests for information as needed.
- Contractor is responsible for communication with Business Participants in relation to their investments and status.
- Contractor will abide by its standard procedures and criteria as established in its Investment Committee approved Investment Procedures and Guidelines. Procedures will be furnished to City, upon request, at any time throughout the Program.
- Contractor will make all attempts to work cooperatively with the City in the pursuit of executing a successful program, which includes open communication.
- Contractor will maintain a mentor relationship with a seasoned venture expert throughout the investment period for FUND I and inform the city in writing of any changes to current affiliation including reason for the change.
- Contractor will appoint DEDO representatives to both its Investment Advisory Committee and Board of Advisors.

6.0 PERFORMANCE INDICATORS FOR FUND SUCCESS

The Contractor seeks to increase opportunities for underserved Businesses Participants while providing suitable risk-adjusted returns to investors. The overarching goal of the fund is creating opportunities through increased jobs and wealth creation.

For the purpose of this contract, a Business Participant is considered being served when they have received and completed a service from the Contractor; outreach or communications alone will not be sufficient. Additionally, a capitalized business means that the business has received a financial investment from the Fund, which could include, but is not limited to, a direct investment or friends and family financing.

Below are the contractual goals to monitor performance of the contractor:

| Year of Contract | Unique Businesses Support | Capitalized Businesses | Cumulative Businesses Supported | Cumulative Capitalized Businesses |
|------------------|---------------------------|------------------------|---------------------------------|-----------------------------------|
| Year 1 | 250 | 20 | 250 | 20 |
| Year 2 | 500 | 30 | 750 | 50 |
| Year 3 | 250 | 50 | 1000 | 100 |

7.0 REPORTING REQUIREMENTS

The Contractor will provide DEDO with annual reports and constant access to Contractor's data system for The Fund. DEDO reserves the right to access the data at any time for internal and external reporting needs. The real-time data must be exportable from the contractor's system by minimum of a csv file in an on-demand fashion. The metrics that will be provided are listed below:

Fund Details (annual report):

The contractor will track important details related to the businesses served through the fund. Details will include, but may not be limited to:

1. Count of requests for assistance received
2. Count of businesses matched with Subcontractors
3. Count of businesses served with professional services
4. Count of businesses served with technical assistance
5. Count of referrals to Subcontractors broken down by assistance type and specific partner
6. Count of businesses graduating from CABB partner program
7. Count and dollar value of professional services provided to Business Participants
8. Count and dollar amount of debt financing provided to Business Participants
9. Count of investments made by equity structure and amount
10. Return on investments
11. External dollars raised/leveraged
12. Business Participants matched with CDFI loan programs
13. Repayment progress for businesses funded with debt
14. Amount of funds leveraged by type (business funds, other public funds, private investment, etc.)
15. Count of FTE jobs created or retained by Business Participants assisted
16. Approved/Closed Ratio
17. Subsequent rounds of funding closed by Business Participants served and increases in company valuations
18. Exits achieved by Business Participants served by the Contractor and their Subcontractors
19. Pipeline performance – percent of interested businesses that convert to services received that convert to investment.
20. Breakdowns of Business Participants counts in annual fund by ownership demographics and DSBO certified firms

Status of Fund (real-time access):

1. Capital Committed to fund
2. Capital deployed through investment
3. Cash on Hand
4. Available for Investment Capital Stack
5. Exits if any
6. Interim Portfolio performance (by Contractor and total fund)

Individual Investment/Loan/Grant Data (real-time access):

1. Business name
2. Investment type
3. Equity investment (y/n)
4. Origination Date
5. Invested amount
6. Intended use of funds
7. Number of FTE created/retained
8. Investment status (approved, closed, failed, etc.)
9. Terms
10. Rate (if applicable)
11. Current balance
12. Valuation at investment
13. Amount of equity if applicable
14. Return on investment
15. Private capital outside of fund that was raised/leveraged
16. Term sheets, loan documentation, promissory notes, agreements, etc.

Business Participant Information

1. Ownership demographics (match DEDO key categorizations) consistent with applicable law
 - a. Race
 - b. Gender
 - c. Additional key priorities (i.e., veteran, foreign born, LGTBQIA2S+, etc.)

In collecting the foregoing demographic information, the Contractor shall comply with the following requirements: (1) the disclosure by an applicant must be voluntary; (2) disclosure or nondisclosure cannot affect selection or eligibility; (3) withholding disclosure cannot affect selection or eligibility; (4) applicants must have an option that the applicant “prefers not to state” the information; (5) the purpose of collecting the demographic information needs to be stated (for example, data collected for research and analysis purposes, or to report outcomes); and (6) a statement must be included that the information will not be used for any other purposes without first obtaining the applicant’s permission.

2. Business address
3. Denver neighborhood
4. Denver City Council District
5. DSBO certified firm
6. Intake assessment (this will need to be part of the pipeline database we will want access to for monitoring)

7. Plan for preparing for capitalization (with list of needed trainings and business adjustments)
8. Industry (NAICS Code; 6 digit)
9. Business stage (pipeline derived)
10. Business initial investment request
11. Subcontractors working with business
12. Mentor match
13. Business revenue (pre/post program/investment)
14. Business employee (pre/post program/investment)
15. Business earnings before interest, taxes, depreciation, and amortization

On an annual basis, a copy of Contractors Audited Financial Statements shall be provided to City within 150 days of Contractors fiscal year-end

End of Scope

Exhibit B Budget Narrative
The New Community Transformation Fund – Denver (NCTF-D)
Administration and Programming of the City and County of Denver
Herman Malone Fund and related business support services

USE OF FUNDS

Funding provided under this contract will be used to administer The Fund city-wide, serving as the prime contractor, and utilizing suitable and qualified community partners as appropriate to deliver professional services, financing, and technical assistance to qualified businesses participating in The Fund. The maximum budget for this contract is not to exceed \$15,187,405. Funding availability is subject to City Council annual appropriation, with maximum amounts of funds available for each program year to be anticipated as follows:

| | |
|--------------------------------------|---------------------|
| <u>Program Year 2022/2023:</u> | <u>\$ 5,188,551</u> |
| <u>Program Year 2023/2024:</u> | <u>\$ 4,998,650</u> |
| <u>Program Year 2024/2025:</u> | <u>\$ 5,000,204</u> |
| Total three-year budget up to | \$15,187,405 |

A. Non-Personal

A.1 PROGRAM EXPENSE

NCTF-D will deploy funds to support qualified businesses in a variety of categories: Venture Investments, Investment Financing, Technical Assistance and Programming, and Professional Services.

Program Expense Subtotal: \$13,947,640

A.2 ADMINISTRATIVE EXPENSE

NCTF-D will be compensated for administration of the fund. As detailed in the scope of work NCTF-D's administration of the fund includes core elements of program development, outreach, managing the application and evaluation process, recommending the appropriate support, and deploying the approved support, and investment management.

A. Administration services

- a. Indirect Costs - \$633,514
- b. Marketing and Outreach - \$250,000

Subtotal: \$883,514

TOTAL NON-PERSONNEL: \$14,831,154

B. PERSONNEL EXPENSE

NCTF-D will be compensated to hire appropriate three-year staff position to oversee and manage the fund.

A. Personnel expenses

- a. Ecosystem Director - \$285,000
- b. Fringe - \$71,251

Subtotal: \$356,251

TOTAL Amount Requested from DEDO: \$15,187,405

Exhibit B Budget Narrative
The New Community Transformation Fund – Denver (NCTF-D)
Administration and Programming of the City and County of Denver
Herman Malone Fund and related business support services

At DEDO’s discretion, modifications to any services that require line-item budget changes which do not increase the total funding to the Contractor and do not modify the total maximum administration fee, may be made without a formal budget modification process.

| | Program Year 2022/23 | Program Year 2023/24 | Program Year 2024/2025 | Total | % Of Total funds Available |
|---|-------------------------|-------------------------|---------------------------|---------------------|----------------------------------|
| Venture Investments | \$1,000,000 | \$2,000,000 | \$3,000,000 | \$6,000,000 | 39.51% |
| Investment Financing | \$750,000 | \$750,000 | \$750,000 | \$2,250,000 | 14.81% |
| Technical Assistance and Programming | \$2,080,500 | \$1,401,500 | \$945,640 | \$4,427,640 | 29.15% |
| Professional Services | \$800,000 | \$470,000 | \$0.00 | 1,270,000 | 8.36% |
| Administrative Expenses | \$289,300 | \$208,400 | \$135,814 | \$633,514 | 4.17% |
| Marketing Expenses | \$150,000 | \$50,000 | \$50,000 | \$250,000 | 1.65% |
| Personnel | \$95,000 | \$95,000 | \$95,000 | \$285,000 | 1.88% |
| Fringe | \$23,751 | \$23,750 | \$23,750 | \$71,251 | 0.47% |
| Total | \$5,188,550 | \$4,998,650 | \$5,000,204 | \$15,187,405 | 100% |

Advanced Payments

Advanced payments are allowable under this award if there is a true business need for immediate cash disbursement. Advanced payment requests may not exceed 25% of **annual** contract amount. To receive advanced funding, NCTF-D must provide a letter of detailed reasoning, or any additional documents requested by DEDO on why funding is needed immediately and the potential impacts of service that not issuing an advanced payment could create. If DEDO then issues an advanced payment to NCTF-D, NCTF-D must provide detailed reconciliation of the payment within 30 business days and **before any additional payments will be issued by DEDO**. This reconciliation may include bank statements, cancelled checks, and/or any documentation on how the advanced payment funding was disbursed. If a paper trail of funding cannot be provided by NCTF-D, NCTF-D will then be liable for reimbursing DEDO the full amount of advanced payment received. All advanced funds need to be distributed to any organizations receiving this funding within 10 days of NCTF-D receiving the advanced funds from DEDO.

C. Fee and Payment Schedule

The maximum budget for this contract is \$15,187,405 inclusive of (i) equity financing provided to recipients, (ii) debt financing provided to recipients, (iii) program delivery of technical assistance, professional services, and (iv) fees to NCTF-D as further described herein and as set forth in the Fee Schedule below.

- i. Venture Investments (up to \$6,000,000): Equity funds will be reimbursed to NCTF-D based on expense incurred during each application round. Vendor may request advanced payments if an immediate need for funding disbursement. This advance will be subject to the 25% cap that is included in the language of the contract. Advance amounts will be determined by the total dollar amount of equity investment

Exhibit B Budget Narrative
The New Community Transformation Fund – Denver (NCTF-D)
Administration and Programming of the City and County of Denver
Herman Malone Fund and related business support services

approved by DEDO for the respective investment event. All conditions of the advanced payment paragraph above must be met before any advanced payments will be issued.

- ii. Investment Financing (up to \$2,250,000): Debt funds will be reimbursed to NCTF-D based on expense incurred during each application round. Vendor may request advanced payments if an immediate need for funding disbursement. This advance will be subject to the 25% cap that is included in the language of the contract. Advance amounts will be determined by the total dollar amount of equity investment approved by DEDO for the respective investment event. All conditions of the advanced payment paragraph above must be met before any advanced payments will be issued.
- iii. Technical Assistance and Programming (up to \$4,427,640): NCTF-D may invoice monthly for pre-approved technical assistance services either self-performed or provided through subcontractors as defined in the Scope.
- iv. Administrative and personnel expenses (up to \$989,765.00): NCTF-D may invoice for the indirect costs once a month. Effective the execution date of the agreement, NCTF-D may invoice for indirect costs, and personnel expenses not to exceed \$989,765.00.
- v. Marketing expenses (up to \$250,000): NCTF-D may invoice for the direct costs once a month.
- vi. Professional services (up to \$1,270,000): NCTF-D may invoice monthly for pre-approved professional services either self-performed or provided through subcontractors as defined in the Scope.



**CITY AND COUNTY OF DENVER
DENVER ECONOMIC DEVELOPMENT & OPPORTUNITY
COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM YEAR 2022
BUDGET SUMMARY**

A. Respondent: New Community Transformation Fund - Denver
B. Project: Herman Malone Fund
C. Program Year: 2022-2025

D. Contract Number: 202264977
E. Contract Period: 08/01/2022 - 07/30/2025
F. Requested Amount: \$ 15,187,405

Budget Summary for Community Development Block Grant

| (1) Item of Expenditure | (2) Total Project Cost requested from DEDO | | (3) Other Federal Funding | | (4) Other Non-Federal Funding | | (5) Other City and County of Denver Funding | | (6) Agency Total (All Funding Sources) | |
|--------------------------------------|---|----------------|------------------------------|--------------|----------------------------------|--------------|--|--------------|---|----------------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Personnel | \$ 285,000 | 100.00% | \$ - | 0.00% | | 0.00% | \$ - | 0.00% | \$ 285,000 | 100.00% |
| Fringe | 71,251 | 100.00% | - | 0.00% | | 0.00% | - | 0.00% | 71,251 | 100.00% |
| Venture Investments | 6,000,000 | 100.00% | - | 0.00% | | 0.00% | - | 0.00% | 6,000,000 | 100.00% |
| Investment Financing | 2,250,000 | 100.00% | - | 0.00% | | 0.00% | - | 0.00% | 2,250,000 | 100.00% |
| Technical Assistance and Programming | 4,427,640 | 100.00% | - | 0.00% | | 0.00% | - | 0.00% | 4,427,640 | 100.00% |
| Subcontractor | - | #DIV/0! | - | #DIV/0! | | #DIV/0! | - | #DIV/0! | - | 100.00% |
| Other Direct Costs | 1,520,000 | 100.00% | - | 0.00% | | 0.00% | - | 0.00% | 1,520,000 | 100.00% |
| Indirect Costs | 633,514 | 100.00% | - | 0.00% | | 0.00% | - | 0.00% | 633,514 | 100.00% |
| Direct Costs Continued | - | #DIV/0! | - | #DIV/0! | | #DIV/0! | - | #DIV/0! | - | 100.00% |
| TOTAL | \$ 15,187,405 | 100.00% | \$ - | 0.00% | \$ - | 0.00% | \$ - | 0.00% | \$ 15,187,405 | 100.00% |

I: Respondent Authorization

Signature of Respondent Official **Date**

Name (Type or print)

Title (Type or print)

J: City and County of Denver Authorization

Signature **Date**

Name (Type or print)

Title (Type or print)



**CITY AND COUNTY OF DENVER
DENVER ECONOMIC DEVELOPMENT & OPPORTUNITY
COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM YEAR 2022
PERSONNEL & FRINGE BUDGET**

A. Respondent: New Community Transformation Fund - Denver

C: Contract Number: 202264977

B. Program: Herman Malone Fund

D: Contract Period: 08/01/2022 - 07/30/2025

| (1) Position/Title | (2) Employee(s) Name | (3) No. Employee(s) | (4) Annual Salary (\$) | (5) Full-time Equivalent (FTE) | (6) Total Program Cost (\$) | (7) DEDO Share (\$) | (8) Brief Summary of Job Responsibilities (If not enough room include separate sheet). |
|-----------------------|-------------------------|------------------------|---------------------------|-----------------------------------|--------------------------------|------------------------|--|
| Ecosystem Director | N/A | 1 | \$95,000 | 3.00 | \$285,000 | \$285,000 | Develop, recommend, promote and implement the goals, strategies, policies and programmatic framework for economic development activities in order to promote the economic base and financial stability and to develop and promote a strong and sustainable business community that grows the number of BIPOC businesses, boards, c-suites and overall BIPOC jobs for Colorado. |
| | | | | | \$0 | \$0 | |
| | | | | | \$0 | \$0 | |
| | | | | | \$0 | \$0 | |
| | | | | | \$0 | \$0 | |
| | | | | | \$0 | \$0 | |
| | | | | | \$0 | \$0 | |
| | | | | | \$0 | \$0 | |
| | | | | | \$0 | \$0 | |
| | | | | | \$0 | \$0 | |
| | | | | | \$0 | \$0 | |
| | | | | | \$0 | \$0 | |
| | | | | | \$0 | \$0 | |
| (9) Totals | | | | | \$285,000 | \$285,000 | |

F. Fringe Benefits and Total Personnel Cost

| Type of Fringe Benefits, includes the following, but not limited to: | Total Cost (\$) | DEDO Share (\$) | Please Show Calculations Below: |
|--|------------------|------------------|---------------------------------|
| (10) Social Security & Medicare (FICA) | \$21,803 | \$21,803 | = 7.65% x Line 9 |
| (11) Federal Unemployment Tax (FUTA) | \$0 | \$0 | = 0.00% x Line 9 |
| (12) State Unemployment Insurance (SUI) | \$3,848 | \$3,848 | = 1.35% x Line 9 |
| (13) Workers Compensation | \$0 | \$0 | = 0.00% x Line 9 |
| (14) Other (Please List) Health Care | \$34,200 | \$34,200 | = 12.00% x Line 9 |
| (15) Other (Please List) Retirement Match | \$11,400 | \$11,400 | = 4.00% x Line 9 |
| (16) Total Fringe Benefits (Add Lines 10-15) | \$71,251 | \$71,251 | |
| (17) Total Personnel Costs (Line 9 plus Line 16) | \$356,251 | \$356,251 | |



**CITY AND COUNTY OF DENVER
DENVER ECONOMIC DEVELOPMENT & OPPORTUNITY
COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM YEAR 2022
NON-PERSONNEL BUDGET**

A. Respondent: New Community Transformation Fund - Denver **C. Contract Number:** 202264977
B. Program: Herman Malone Fund **D. Contract Period:** 08/01/2022 - 07/30/2025

| (1) Item of Expenditure | (2) Total Program Cost (\$) | (3) DEDU Share of Cost (\$) | (4) Brief Line Item Description & Justification (Please show justification for Total Cost in the Budget Narrative) |
|---|-----------------------------------|-----------------------------------|---|
| VENTURE INVESTMENTS TOTAL | \$6,000,000 | \$6,000,000 | Includes the following, but not limited to: |
| Equity Financing - Early stage and legacy equity YEAR 1 | \$1,000,000 | \$1,000,000 | Per Contractor's internal investment policies |
| Equity Financing - Early stage and legacy equity YEAR 2 | \$2,000,000 | \$2,000,000 | Per Contractor's internal investment policies |
| Equity Financing - Early stage and legacy equity YEAR 3 | \$3,000,000 | \$3,000,000 | Per Contractor's internal investment policies |
| | \$0 | \$0 | |
| | \$0 | \$0 | |
| INVESTMENT FINANCING TOTAL | \$2,250,000 | \$2,250,000 | Includes the following, but not limited to: |
| Investment Financing - friends and family round may include debt or equity financing options YEAR 1 | \$750,000 | \$750,000 | Per Contractor's and selected partner's internal funding policies |
| Investment Financing - friends and family round may include debt or equity financing options YEAR 2 | \$750,000 | \$750,000 | Per Contractor's and selected partner's internal funding policies |
| Investment Financing - friends and family round may include debt or equity financing options YEAR 3 | \$750,000 | \$750,000 | Per Contractor's and selected partner's internal funding policies |
| | \$0 | \$0 | |
| | \$0 | \$0 | |
| TECHNICAL ASSISTANCE AND PROGRAMMING TOTAL | \$4,427,640 | \$4,427,640 | Includes the following, but not limited to: |
| Technical Assistance and Programming YEAR 1 | \$2,080,500 | \$2,080,500 | To service providers who offer support to early-stage businesses to help them develop business plan, go to market strategy, MVP, etc. |
| Technical Assistance and Programming YEAR 2 | \$1,401,500 | \$1,401,500 | To service providers who offer support to early-stage businesses to help them develop business plan, go to market strategy, MVP, etc. |
| Technical Assistance and Programming YEAR 3 | \$945,640 | \$945,640 | To service providers who offer support to early-stage businesses to help them develop business plan, go to market strategy, MVP, etc. |
| | \$0 | \$0 | |
| | \$0 | \$0 | |
| SUBCONTRACTOR TOTAL | \$0 | \$0 | Includes the following, but not limited to: |
| | \$0 | \$0 | |
| | \$0 | \$0 | |
| | \$0 | \$0 | |
| | \$0 | \$0 | |
| | \$0 | \$0 | |
| OTHER DIRECT COSTS TOTAL | \$1,520,000 | \$1,520,000 | Includes the following, but not limited to: |



CITY AND COUNTY OF DENVER
DENVER ECONOMIC DEVELOPMENT & OPPORTUNITY
COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM YEAR 2022
NON-PERSONNEL BUDGET

A. Respondent: New Community Transformation Fund - Denver **C: Contract Number:** 202264977

B. Program: Herman Malone Fund **D: Contract Period:** 08/01/2022 - 07/30/2025

| (1) | (2) | (3) | (4) |
|--------------------------------------|----------------------------|----------------------------|--|
| Item of Expenditure | Total Program Cost (\$) | DEDO Share of Cost (\$) | Brief Line Item Description & Justification (Please show justification for Total Cost in the Budget Narrative) |
| Professional Services Year 1 | \$800,000 | \$800,000 | To service providers that offer support in the following areas: finance and accounting, business plan development, legal services, marketing, MWBE certification, etc. |
| Professional Services Year 2 | \$470,000 | \$470,000 | To service providers that offer support in the following areas: finance and accounting, business plan development, legal services, marketing, MWBE certification, etc. |
| Marketing Expenses Year 1 | \$150,000 | \$150,000 | Marketing and outreach expenses. |
| Marketing Expenses Year 2 | \$50,000 | \$50,000 | Marketing and outreach expenses. |
| Marketing Expenses Year 3 | \$50,000 | \$50,000 | Marketing and outreach expenses. |
| INDIRECT COSTS TOTAL | \$633,514 | \$633,514 | Represents the common costs associated with the efforts of operations and is estimated using the Modified Total Direct Method |
| Indirect Costs Years 1-3 | \$633,514 | \$633,514 | Administrative Expenses Year 1 = \$289,300.00 Year 2 = \$208,400.00 Year 3 = \$135,814.00 |
| DIRECT COSTS CONTINUED TOTAL | \$0 | \$0 | Includes the following, but not limited to: |
| | \$0 | \$0 | |
| | \$0 | \$0 | |
| | \$0 | \$0 | |
| | \$0 | \$0 | |
| | \$0 | \$0 | |
| (5) TOTAL NON-PERSONNEL COSTS | \$14,831,154 | \$14,831,154 | |



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/04/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| | | | |
|--|---|------------------------------------|-------------------------------|
| PRODUCER Ringnalda TenHaken Insurance Group 4800 Broadmoor SE Grand Rapids, MI 49512 | CONTACT NAME: Hillary Spruit PHONE (A/C, No. Ext): 616-530-2800 E-MAIL ADDRESS: hillary@rtigrandrapids.com | FAX (A/C, No): 616-530-5560 | |
| | INSURER(S) AFFORDING COVERAGE | | |
| INSURED NEW COMMUNITY TRANSFORMATION FUND LLC DENVER Danielle Shoots 1031 33rd St Denver, CO 80205-2729 | INSURER A: EMC Insurance Companies | | NAIC # 21415 |
| | INSURER B : | | |
| | INSURER C : | | |
| | INSURER D : | | |
| | INSURER E : | | |
| | INSURER F : | | |

COVERAGES CERTIFICATE NUMBER: 00022218-28994 REVISION NUMBER: 3

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDL INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|-----------|----------|---------------|-------------------------|-------------------------|---|
| A | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: | Y | | 6D42623 | 03/07/2022 | 03/07/2023 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$ |
| | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY | | | | | | COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| | <input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$ | | | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| A | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N <input checked="" type="checkbox"/> N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | | | 6H42623 | 03/07/2022 | 03/07/2023 | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
As required by written contract, the City and County of Denver, its Elected and Appointed Officials, Employees and Volunteers are included as Additional Insured in regard to the Commercial General Liability.

| | |
|--|---|
| CERTIFICATE HOLDER City and County of Denver 101 W Colfax Ave. Suite 850 Denver, CO 80202 | CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. |
| | AUTHORIZED REPRESENTATIVE (HRS) |