

**PURCHASE AND SALE AGREEMENT**  
**(793 N. Olive Street & 716 S. Poplar Street)**

**THIS PURCHASE AND SALE AGREEMENT** (“Agreement”) is made between the **CITY AND COUNTY OF DENVER**, a municipal corporation and home rule city of the State of Colorado (the “City”) and **COTTONWOOD COMMUNITY ALTERNATIVES, INC.**, a Colorado nonprofit corporation, whose address is P.O. Box 946, Englewood, Colorado 80151-0946 (“Purchaser”), collectively “the Parties”.

**WITNESSETH:**

WHEREAS, the City owns certain real property in the City and County of Denver known as 793 N. Olive St. and 716 S. Poplar St.;

WHEREAS, the City desires that the property be rehabilitated and operated as supportive housing for developmentally disabled residents and staff serving such residents; and

WHEREAS, the recommending and approving City officials have determined that it is in the best interest of the City to convey the property to Purchaser for such purpose, subject to the terms and conditions set forth below.

NOW THEREFORE, in consideration of the premises and the mutual covenants and obligations set forth herein, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. PROPERTY TO BE PURCHASED: Subject to the terms, provisions, reservations, covenants and conditions herein contained, the City hereby agrees to sell and convey and Purchaser hereby agrees to purchase and pay for the real property at 793 N. Olive St. and 716 S. Poplar St., Denver, Colorado, which is more particularly described in Exhibit A, attached hereto and incorporated herein by reference, together with all improvements, appurtenances and permanent fixtures, if any, of a permanent nature currently on the property (the “Property”).

2. PURCHASE PRICE AND TERMS: The Purchase Price to be paid by Purchaser for the Property shall be Ten Dollars (\$10.00) (“Purchase Price”), payable to the City and County of Denver in good funds at the time of Closing.

3. ENVIRONMENTAL CONDITION: During the Due Diligence Period (defined below in Paragraph 4), Purchaser, at its sole expense, may employ an environmental consultant to conduct an environmental audit of the Property. The City hereby grants Purchaser and its consultants the right to enter upon the Property to perform environmental testing and inspections, provided that no less than seventy-two (72) hours prior to commencing the performance of any testing, inspection or other work on the Property, the Purchaser shall give notice of the intent to perform such work to Joseph Margoshes of the City's Division of Real Estate ("Real Estate") or such other individual as may be designated by the Director of Real Estate (the "Director"). Upon completion of any such testing, inspection or other work, the Purchaser's consultant shall return the Property to the condition it was in prior to such testing, inspection or work. The purpose of the environmental audit shall be to identify any existing or potential environmental problems located in, on, or under the Property, including but not limited to, the presence of hazardous substances. The Director shall provide Purchaser with copies of any environmental studies or data he or she has regarding the Property, if any. Purchaser shall provide City, without charge, a copy of any environmental studies performed or data collected by or on behalf of Purchaser regarding the Property. All environmental audits and testing shall be completed no later than thirty (30) days prior to the expiration of the Due Diligence Period. Purchaser acknowledges and agrees that it is purchasing the Property in an "As Is Where Is" condition.

4. PHYSICAL INSPECTION: Purchaser shall have sixty (60) days from the date of the City delivers a fully executed copy of the Agreement to Purchaser (the "Due Diligence Period") in which to inspect the physical condition of the Property at the Purchaser's expense. The City hereby grants Purchaser and its consultants the right to enter onto the Property during the Due Diligence Period to perform such inspections. The Purchaser shall give Joseph Margoshes of Real Estate, or such other individual as may be designated by the Director, seventy-two (72) hours' prior notice before accessing the Property to commence any work. Upon completion of the inspection, Purchaser shall return the Property to the condition it was in prior to such inspection. At any time on or before the expiration of the Due Diligence Period, Purchaser, in its sole and absolute discretion, may terminate this Agreement by written notice to City of such election on or before the expiration of the Due Diligence Period.

5. OBJECTIONS/RESOLUTIONS: If no written notice of any unsatisfactory environmental or physical condition, signed by the Purchaser, is received by the City on or before

the expiration of the Due Diligence Period, then such items shall be deemed to be satisfactory to the Purchaser. If written notice of any unsatisfactory, environmental or physical condition, signed by the Purchaser, is given to the City as set forth above, and if the City fails to cure such defect on or before Closing, the Purchaser in its sole discretion may elect to (i) waive such defect and proceed to Closing; (ii) cure such defect itself and proceed to Closing; or (iii) terminate this Agreement.

6. EVIDENCE OF TITLE: Purchaser may obtain, at Purchaser's sole cost and expense, a current commitment for owner's title insurance policy for the Property ("Title Commitment") in an amount equal to the Purchase Price from Land Title Guaranty Company ("Title Company") within forty-five (45) days after the date of this Agreement. The Title Commitment, together with any copies or abstracts of instruments furnished pursuant to this Section 6, constitute the title documents ("Title Documents") copies of which, if obtained, shall be delivered to the City no later than thirty-five (35) days after the date of this Agreement. Purchaser may, in its sole discretion, cause the title insurance policy to be issued after Closing in which case Purchaser shall pay the premium at Closing if a title policy is obtained.

7. TITLE:

(a) Title Review: The Purchaser shall have the right to inspect the Title Documents. Written notice by the Purchaser of unmerchantability of title or any other unsatisfactory title condition shown by the Title Documents shall be signed by the Purchaser and given to the City on or before fifteen (15) days prior to the expiration of the Due Diligence Period. If the City does not receive the Purchaser's notice by the date specified above, the Purchaser shall be deemed to have accepted the condition of title as disclosed by the Title Documents as satisfactory.

(b) Survey and Matters Not Shown by the Public Records. The City shall deliver to Purchaser within thirty (30) days from the date of this Agreement, true copies of all lease(s) and survey(s) in the City's possession pertaining to the Property, if any. The Purchaser shall have the right to inspect the Property during the Due Diligence Period to determine if any third party has any right in the Property not shown by the public records (such as an unrecorded easement, unrecorded lease, or boundary line discrepancy). The Purchaser, at Purchaser's expense, may obtain a current boundary and improvements survey of the Property, certified by a licensed Colorado surveyor reasonably acceptable to the City, showing thereon the correct legal description, property dimensions, easements, rights-of-way and encroachments, if any, recorded

or in place, and all improvements, with the dimensions thereof, certified to the City, Purchaser and to the Title Company. Written notice of any unsatisfactory condition(s) discovered by the survey or disclosed by the City or revealed by the inspection shall be signed by the Purchaser and given to the City on or before the expiration of the Due Diligence Period. If the City does not receive the Purchaser's notice by said date, the Purchaser shall be deemed to have accepted title subject to such rights, if any, of third parties of which the Purchaser has knowledge.

(c) Right to Cure. If the City receives notice of any unsatisfactory title matter, or other condition(s) revealed by a survey or inspection as provided in subsection (a) or (b) above or as otherwise given by the Purchaser, the City may elect, but is not required, to cure such unsatisfactory condition(s) prior to Closing. If the City determines not to cure said unsatisfactory condition(s) on or before Closing, the Purchaser, in its sole discretion, may elect to (i) waive such defect and proceed to Closing; (ii) cure such defect itself; or (iii) terminate this Agreement.

8. DEED RESTRICTIONS:

(a) The City's agreement to transfer the Property to Purchaser is specifically in reliance upon Purchaser's willingness to provide the City with a benefit by providing certain housing and supportive services to individuals with developmental disabilities whose incomes are at or below thirty (30%) of the median income, as further defined below. Such use of the Property shall be monitored by the City's Department of Housing Stability or any successor department ("HOST") in accordance with the requirements of the annual reports. Purchaser, on behalf of itself and its successors and assigns, agrees that the Property may only be used for the purposes of operating a Residential Facility as defined below and more fully set forth in Section 8(b) through (e) below, and Exhibit B (Deed) attached hereto. In consideration of this agreement, at Closing, the Deed delivered to the Purchaser shall contain the Deed Restrictions described in this Section 8.

(b) "Residential Facility" shall mean an independent living residential facility consisting of private rooms with shared amenities for individuals with developmental disabilities whose incomes are at or below thirty percent (30%) of the median income for the Denver area as published by the Colorado Housing and Finance Authority ("CHFA"). Within the Residential Facility, no less than six (6) private residential rooms shall be available for rent ("Residential Rooms"), and there shall be two (2) private rooms available for occupancy by onsite managers ("Manager Rooms"). Occupancy of the Residential Rooms and Manager Rooms are restricted to

only one occupant. Evidence that Purchaser is complying with these standards shall be provided to and approved by the Executive Director of HOST (or successor position) (“Executive Director”) in accordance with the requirements set forth below to be submitted in Reports (to be defined below). In the event Purchaser, its successors or assignees ceases to operate a Residential Facility on the Property prior to the end of Restrictive Period (defined below), the City, by written notice signed by the Mayor, at its sole option, and as a monetary remedy for the cessation of such operations, shall be entitled to repurchase the Property for the amount of Ten Dollars (\$10.00), the consideration paid by Purchaser for the Property (“Right of Repurchase”). In the event the City exercises the Right of Repurchase in accordance herewith, the Parties expressly acknowledge and agree that Ten Dollars (\$10.00) is the only consideration payable by the City to Purchaser and the City shall not be liable for any costs incurred by Purchaser related to redevelopment and rehabilitation of the Property. At the discretion of the Executive Director, the City may also proceed to endorse the Right of Entry for Condition Broken as set forth below. In addition, whether the City repurchases the Property or enforces the Right of Entry for Condition Broken, the City shall give Purchaser notice and the opportunity to cure as set forth below in Section 10. No less than six (6) of the Residential Rooms must be available to begin residential move in and occupancy within twelve (12) months of the Closing on the Property, and the Residential Rooms must be at least 66.6% occupied within eighteen (18) months from Closing, or Purchaser shall be in default of this Agreement.

(c) The base rent for the Residential Rooms at the Property shall not exceed the lesser of (i) thirty percent (30%) of the adjusted income of an individual whose annual income equals thirty percent (30%) of the median income for the Denver area, as published by CHFA, or (ii) thirty percent (30%) of the tenant’s income.

(d) Purchaser, its successors and assigns, agree that, from the date of the Deed conveying the Property until the date that is ninety-nine (99) years from the date of such conveyance (the “Restrictive Period”), the Property may only be used as a Residential Facility, and such use shall not be amended or modified without the express written consent of the Mayor and the Executive Director. At the end of the ninety-nine (99) year Restrictive Period, the restrictions set forth in this Agreement, any covenant recorded against the Property by the City or any provisions set forth in the Deed from the City shall automatically terminate and be of no further force and effect without the execution or recording of any documentation. This restrictive use

covenant runs with the land until expiration of the Restrictive Period or such time as it may be terminated by the City.

(e) This covenant may be enforced by the City and County of Denver or appropriate representatives thereof.

9. REPORTS

(a) As a condition precedent to City selling the Property to Purchaser, Purchaser has provided, and City has approved, a submittal to the Executive Director containing all of the information required for Reports as set forth and defined below. Additionally, Purchaser has submitted, and City has approved, a remodeling and maintenance plan and two-year budget for the remodeling, operation and maintenance of the Property showing how Purchaser intends to pay for such budgeted amount. Pursuant to the terms and conditions of a separate loan agreement between the City and Purchaser, the City has agreed to provide Three Hundred Thousand Dollars (\$300,000) towards the rehabilitation of the Property. Purchaser represents that Purchaser has or will acquire additional loan funds to enable it to complete the necessary modifications to the Property. Purchaser shall provide the City with satisfactory evidence of commitments for the amount of funds needed, as well as a statement of sources and uses of such money for the Property.

(b) Each calendar year during the Restrictive Period, Purchaser shall prepare and submit to the Executive Director or her/his designated representative, an annual report in a form satisfactory to the Executive Director (the "Report"). The Report shall be submitted on or before March 31 of each year for the preceding calendar year. City shall notify Purchaser of its approval or rejection of each such Report on or before May 31 of the year in which such Report was submitted by Purchaser, but in no event shall City's failure to timely notify Purchaser be deemed acceptance. At a minimum, the Report must include:

(i) Rent rolls for the Property which include supporting documentation of percentage of annual income and confirmation of developmental disabilities. The rent rolls will also show that the average annual occupancy rate for the six (6) Residential Rooms shall be at a minimum of sixty-six and six tenths percent (66.6%) and two (2) Manager Rooms must be occupied by employees of Cottonwood Community Alternatives, Inc. Failure of Purchaser to maintain this level of occupancy shall constitute a breach of this Agreement to operate a Residential Facility.

(ii) A description of any challenges and extraordinary events.

(iii) Purchaser's annual budget for the coming calendar year including any anticipated significant maintenance items.

(iv) Purchaser's actual revenues and expenditures for the past calendar year and a comparison of the actual numbers to its submitted budget.

(v) Copies of all grant agency audit reports and audits of financial statements for the prior calendar year.

(vi) A Certificate of Insurance as proof of property insurance and liability insurance in an amount no less than the value of the building on the Property.

(vii) Proof that Cottonwood Community Alternative, Inc. is a Program Approved Service Agency by Colorado Department of Public Health and Environment and is in good standing with the Colorado Secretary of State.

The City shall have the right to request additional financial and occupancy information which it deems necessary or desirable at any time during the year. Any information requested by the City shall be delivered by Purchaser to the City within twenty-one (21) days of receiving such request. Additionally, at the sole discretion of the Executive Director, he/she or a designee may inspect a sampling of housing units to insure that the units meet Housing Quality Standards as defined by Department of Housing and Urban Development ("HUD").

10. RIGHT OF RE-ENTRY FOR CONDITION BROKEN:

(a) City shall have the right, at the discretion of the Executive Director, to re-enter and retake the Property upon thirty (30) days written notice to Purchaser in the event Purchaser does not meet the material obligations and goals set forth in this Agreement.

(b) Prior to City exercising its right to re-enter and retake the Property, Purchaser shall be given the right to cure any deficiencies noted within sixty (60) days (or one hundred twenty (120) days as described below) of notice from City. If such cure is effected within the sixty (60) day period, or in the event the cure cannot be fully completed within sixty (60) days, and Purchaser has started making good faith efforts to cure any violations, and has completed such actions within one hundred twenty (120) days, the right of entry for condition broken shall not be exercised.

(c) Determination of whether a cure has been effected shall be at the reasonable discretion of the Executive Director, however the Executive Director must base such decision on

the parameters for the Residential Facility set forth herein. City may enforce its right of entry for condition broken by initiating a forcible entry and detainer action in the event Purchaser does not vacate the Property.

(d) City, at its sole option, as may be exercised by the Mayor, may waive or modify the restrictive use covenants set forth in this Agreement, upon request by Purchaser. Upon any waiver or modification of the restrictive use covenant by City, or upon the City's relinquishment of its right of entry for condition broken, City shall execute an appropriate document in recordable form to waive, modify or relinquish the covenant and/or the right of entry set forth herein.

11. CLOSING PRE-CONDITIONS: The parties agree that Purchaser's obligation to purchase and the City's obligation to sell the Property shall be subject to the condition that a use permit allowing for residential care use shall have been obtained by Purchaser for the Property prior to Closing;

12. DATE OF CLOSING: The date of Closing shall be on or before fifteen (15) days following the expiration of the Due Diligence Period, or a date otherwise agreed to by the parties in writing ("Closing"). The hour and place of Closing shall be as designated by the City. The Director may agree to the Closing date on behalf of the City.

13. TRANSFER OF TITLE: Subject to completion of all prerequisites to Closing set forth herein and the tender of the Purchase Price, the City shall execute and deliver a Quit Claim Deed to the Purchaser at Closing, conveying the Property free and clear of all taxes except the general taxes for the year of Closing, and subject to building and zoning regulations and covenant and deed restrictions; provided, however, at Closing the City shall also execute and deliver the necessary documentation to release and terminate the existing City Use Restriction Covenant(s) recorded against the title to the property ("Release(s)").

14. POSSESSION: Possession of the Property shall be delivered to Purchaser at Closing.

15. PAYMENT OF ENCUMBRANCES: Any encumbrance caused by the City and specifically assumed and required to be paid by the City shall be paid at or before Closing.

16. CLOSING COSTS, DOCUMENTS AND SERVICES: Purchaser shall pay all closing costs at Closing, including all related recording fees. Purchaser and City shall sign and complete all customary or required documents at or before Closing, subject to such documents



being approved by the City Attorney's office and in compliance with all laws, the Revised Municipal Code of the City and County of Denver, and the Charter and Ordinances of the City and County of Denver as the same may be amended from time to time. The Director, or his or her designee, are hereby authorized to execute on behalf of the City any and all documents necessary or helpful to close the transaction contemplated herein or as may be required by the Title Company in connection with the issuance of a title policy, provided that no such document effectuates the transfer of title to real property or requires recordation in the real property records of the City and County of Denver. The Quit Claim Deed and Release(s) shall be executed by the Mayor, attested to by the Clerk and Recorder and approved as to form by the City Attorney.

17. PRORATIONS: General taxes and assessments for the year of Closing, based on the most recent levy and the most recent assessment (taking into account any portion of the year in which the Property is tax exempt), rents, water, sewer and other utility charges shall be prorated to date of Closing and paid at Closing.

18. CONDITION OF PROPERTY: Purchaser acknowledges that it will be purchasing the Property based solely upon its inspection and investigation of the Property and that Purchaser will be purchasing the Property "AS IS" and "WITH ALL FAULTS" based upon the condition of the Property as of the date of this Agreement, subject to reasonable wear and tear and loss by fire or other casualty or condemnation from the date of this Agreement until the Closing. Purchaser acknowledges that neither the City nor its consultants or agents have made any representations or warranties of any kind upon which Purchaser is relying as to any matters concerning the Property, including, but not limited to, (i) the land, and any improvements, any personal property, (ii) the existence or nonexistence of any hazardous substances, (iii) economic projections or market studies concerning the Property, (iv) any development rights, taxes, bonds, covenants, conditions and restrictions affecting the Property, (v) water or water rights, (vi) topography, drainage, soil, subsoil of the Property, (vii) the utilities serving the Property (viii) zoning, environmental, building or other laws, rules or regulations affecting the Property, (ix) the development, entitlements, benefits or other rights in connection with the development of the Property, (x) the obligations, restrictions, limitations, feasibility or other requirements in connection with the development of the Property, (xi) the current or future real estate tax liability, assessment or valuation of the Property, (xii) the potential qualification of the Property for any benefits conferred by any laws whether for subsidies, special real estate tax treatment, insurance, mortgages or any

other benefits, whether similar or dissimilar to those enumerated, (xiii) the ability to obtain a change in the zoning or a variance in respect to the non-compliance of the Property, if any, with zoning laws, (xiv) the nature and extent of any right-of-way, easement, lease, possession, lien, encumbrance, license, reservation, condition, declaration, covenant or otherwise, (xv) the availability of any financing for the purchase, alteration, rehabilitation or operation of the Property from any source, including, without limitation, any government authority or any lender, (xvi) any matters excepted on the Title Commitment, (xvii) the current or future use of the Property, (xviii) the present and future condition and operating state of any personal property and the present or future structural and physical condition of any improvements, their suitability for rehabilitation or renovation, or the need for expenditures for capital improvements, repairs or replacements thereto, (xix) the actual or projected income or operating expenses of the Property. CITY MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE PROPERTY. City makes no representation that the Property complies with Title III of the Americans With Disability Act or any fire codes or building codes. Purchaser expressly waives any right of rescission and/or claim for damages against the City or its agents by reason of any statement, representation, warranty, and/or promise not contained in this Agreement. Purchaser's agreement to purchase the Property "as is" is a material inducement to the City to agree to convey the property at the Purchase Price provided herein. Purchaser hereby releases the City from any and all liability in connection with any claims which Purchaser may have against the City, and Purchaser hereby shall not assert any claims, for contribution, cost recovery or otherwise, against the City relating directly or indirectly to the existence of hazardous substances on, or environmental conditions of, the Property.

19. TIME IS OF THE ESSENCE/REMEDIES: It is understood and agreed between the parties that time is of the essence hereof, and all the agreements herein contained shall be binding upon and for the benefit of each party's successors and assigns. If any payment due in accordance with this Agreement is not paid, honored or tendered when due, or if any other obligation hereunder is not performed or waived as herein provided, following, in each case, five (5) days written notice to the defaulting party, together with an opportunity to cure, there shall be the following remedies:

(a) If Purchaser is in Default Prior to Closing: The City may elect to treat this Agreement as canceled, in which case, all payments and things of value received hereunder shall be forfeited by Purchaser and retained by City and both parties shall thereafter be released from all obligations hereunder, except for continuing obligations of Purchaser as set forth in Sections 3 and 4 above; or the City may elect to treat this Agreement as being in full force and effect and the City shall have the right to specific performance, damages, and all remedies in law or equity. In the event of default by Purchaser, City shall receive for its own use all engineering or development plans and any other plans, specifications and documents relating to Purchaser's use or development of the Property then in Purchaser's possession or under Purchaser's control.

(b) If City is in Default Prior to Closing: Purchaser may elect to treat this Agreement as canceled, in which case all payments and things of value received hereunder shall be returned to Purchaser. Purchaser expressly waives the remedies of specific performance and additional damages.

20. TERMINATION: In the event this Agreement is terminated for reason other than default, all payment and things of value received hereunder shall be returned and the parties shall be relieved of all obligations hereunder, except for continuing obligations of Purchaser as set forth in Sections 3 and 4 above.

21. AUTHORITY TO EXECUTE: Purchaser represents that the persons who have affixed their signature hereto have all necessary and sufficient authority to bind Purchaser.

22. COOPERATION OF THE PARTIES: In the event that any third party brings an action against either party regarding the validity or operation of this Agreement, the parties shall cooperate with the other in any such litigation. Purchaser shall bear its own legal costs.

23. BROKER'S FEES: The City will not pay any real estate broker's commissions or fees. In the event a claim for such compensation is made, Purchaser shall be solely responsible for payment of the compensation and/or defense of the claim, and shall indemnify the City against claims for broker's commissions or fees, including any attorney's fees or other costs incurred by the City.

24. ASSIGNMENT: Neither party may assign its rights and obligations under this Agreement to any entity without the prior written consent of the other party. If this Agreement is assigned as expressly permitted herein, such assignment shall be in writing, and all the covenants and agreements herein contained shall be binding upon and inure to the benefit of the successors,

assigns, heirs, and personal representatives of the respective parties. If this Agreement is assigned without written consent, the assigning party shall be in default of this Agreement.

25. WHEN RIGHTS AND REMEDIES NOT WAIVED: In no event shall any performance hereunder constitute or be construed to be a waiver by any party or any breach of covenant or condition or of any default which may then exist. The rendering of any such performance when any such breach or default exists shall in no way impair or prejudice any right or remedy available with respect to such breach or default. Further, no assent, express or implied, to any breach of any one or more covenants, provisions, or conditions of the Agreement shall be deemed or taken to be a waiver of any other default or breach.

26. SUBJECT TO LOCAL LAWS; VENUE: Each and every term, provision, and condition herein is subject to the provisions of the laws of the United States, the State of Colorado, the Charter and Ordinances of the City and County of Denver, and regulations enacted pursuant thereto. The Charter and Revised Municipal Code of the City and County of Denver, as the same may be amended from time to time, are hereby expressly incorporated into this Agreement as if fully set out herein by this reference. This Agreement is made, shall be deemed to be made, and shall be construed in accordance with the laws of the State of Colorado. Venue for any action arising under this Agreement or any amendment or renewal shall lie in the District Court in and for the City and County of Denver, Colorado.

27. NOTICES: All notices provided for herein shall be in writing and may be sent by email to the Director (at the email address provided to Purchaser from time to time) and to Purchaser (at the email address set forth below, or as otherwise designated by Purchaser from time to time), provided that any notice required by the terms of this Agreement must also be made by hard copy, which shall be personally delivered or mailed by registered or certified United States mail, postage prepared, return receipt requested, or by a recognized overnight courier that requires signature by recipients, to the parties at the addresses given below or at such other address that may be specified by written notice in accordance with this paragraph. All notices which are mailed shall be deemed to have been received three (3) days after deposit in the United States mail.

If to Denver: Mayor  
Mayor's Office  
City and County Building  
1437 Bannock Street, Room 350  
Denver, CO 80202

With copies to: Denver City Attorney  
Denver City Attorney's Office  
201 W. Colfax Avenue, Dept. 1207  
Denver, CO 80202

Director of Real Estate  
201 W. Colfax Avenue, Dept. 1010  
Denver, CO 80202

Denver Department of Housing Stability  
101 W. Colfax Avenue, Dept. 850  
Denver, CO 80202

If to Purchaser: Cottonwood Community Alternatives, Inc.  
3255 S. Acoma Street  
Englewood, Colorado 80110  
Email: [shorton@cottonwoodca.org](mailto:shorton@cottonwoodca.org)

Cottonwood Community Alternatives, Inc., a  
Colorado nonprofit corporation  
P.O. Box 946  
Englewood, Colorado 80151-0946

28. PARTIES' LIABILITIES: Each party shall be responsible for any and all suits, demands, costs or actions proximately resulting from its own individual acts or omissions.

29. AGREEMENT AS COMPLETE INTEGRATION; AMENDMENTS: This Agreement is intended as to the complete integration of all understandings between the parties. No prior or contemporaneous addition, deletion or other amendment shall have any force or effect whatsoever, unless embodied herein in writing. No subsequent novation, renewal, addition, deletion, or other amendment shall have any force or effect unless embodied in a written amendatory or other agreement executed by the parties.

30. PARAGRAPH HEADINGS: The paragraph headings are inserted only as a matter of convenience and for reference and in no way are intended to be a part of this Agreement or to define, limit or describe the scope or intent of this Agreement or the particular paragraphs to which they refer.

31. THIRD-PARTY BENEFICIARY: The parties intend that this Agreement shall create no third party beneficiary interest except for an assignment pursuant to this Agreement. The parties are not presently aware of any actions by them or any of their authorized representatives which would form the basis for interpretation construing a different intent, and in any event

expressly disclaim any such acts or actions, particularly in view of the integration of this Agreement.

32. COUNTERPARTS: This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but of all which shall together constitute one and the same document.

33. REASONABLENESS OF CONSENT OR APPROVAL: Whenever under this Agreement “reasonableness” is the standard for the granting or denial of the consent or approval of either party hereto, such party shall be entitled to consider public and governmental policy, moral and ethical standards, as well as business and economic considerations.

34. SEVERABILITY: The promises and covenants contained herein are several in nature. Should any one or more of the provisions of this Agreement be judicially adjudged invalid or unenforceable, such judgment shall not affect, impair, or invalidate the remaining provision of this Agreement.

35. NO PERSONAL LIABILITY: No elected official, director, officer, agent or employee of the City nor any director, officer, employee or personal representative of Purchaser shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or because of any breach thereof or because of its or their execution, approval or attempted execution of this Agreement.

36. CONFLICT OF INTEREST BY CITY OFFICER: Purchaser represents that to the best of its information and belief no officer or employee of the City is either directly or indirectly a party or in any manner interested in this Agreement except as such interest may arise as a result of the lawful discharge of the responsibilities of such elected official or employee.

37. NO DISCRIMINATION IN EMPLOYMENT: In connection with the performance of work under this Agreement, Purchaser agrees not to refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, gender identity or gender expression, marital status, or physical or mental disability; and further agrees to insert the foregoing provision in all contracts entered into in conjunction with this Agreement.

38. SUBJECT TO COUNCIL APPROVAL: This Agreement is subject to the approval of the City Council in accordance with the provisions of the City Charter, and this Agreement shall not take effect until its final approval by City Council, and until signed by all appropriate City

officials, including the Mayor, the Clerk and Recorder, the Manager of Finance and the Auditor.

39. APPROPRIATION: Except for the purchase of certain property authorized to be paid for under various City General Obligation Bond ordinances, all obligations of the City under and pursuant to this Agreement are subject to prior appropriation of monies expressly made by the City Council for the purposes of this Agreement and paid into the Treasury of the City.

40. RIGHT TO ALTER TIME FOR PERFORMANCE: The parties may alter any time for performance set forth in this Agreement by a letter signed by the Director and an authorized representative of Purchaser. All other amendments to this Agreement must be fully executed by the City and the Purchaser.

41. NO MERGER: The parties intend that the terms of this Agreement shall survive Closing and shall not be merged into the deed conveying the Property.

42. ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS: Purchaser consents to the use of electronic signatures by the City. The Agreement, and any other documents requiring a signature hereunder, 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 the 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 the 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.

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**Contract Control Number:**  
**Contractor Name:**

FINAN-202053251-00  
COTTONWOOD COMMUNITY ALTERNATIVES INC

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at  
Denver, Colorado as of: \_\_\_\_\_, 2020

**SEAL**

**CITY AND COUNTY OF DENVER:**

**ATTEST:**

By:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk and Recorder, Ex-Officio Clerk of the City  
and County of Denver

**APPROVED AS TO FORM:**

**REGISTERED AND COUNTERSIGNED:**

Attorney for the City and County of Denver

By:

By:

\_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
Manager of Finance

By:

\_\_\_\_\_  
Auditor



**Contract Control Number:**  
**Contractor Name:**

FINAN-202053251-00  
COTTONWOOD COMMUNITY ALTERNATIVES INC

By: \_\_\_\_\_

Name: Seanna Horton\_\_\_\_\_

Title: Chief Financial Officer\_\_\_\_\_

ATTEST: [if required]

By: \_\_\_\_\_

Name: \_\_\_\_\_  
(please print)

Title: \_\_\_\_\_  
(please print)

**Contract Control Number:**  
**Contractor Name:**

FINAN-202053251-00  
COTTONWOOD COMMUNITY ALTERNATIVES INC

By: Seanna Horton

Name: Seanna Horton

Title: Chief Financial Officer

ATTEST: [if required]

By: \_\_\_\_\_

Name: \_\_\_\_\_  
(please print)

Title: \_\_\_\_\_  
(please print)

**EXHIBIT A**  
**Legal Descriptions**

**Parcel A: Commonly known as 793 N. Olive Street, Denver, CO**

Lots 29 and 30, Block 28, Richthofen's Montclair, City and County of Denver, State of Colorado.

**Parcel B: Commonly known as 716 S. Poplar Street, Denver, CO**

Lot 24, Block 3, Lee Downs, City and County of Denver, State of Colorado.

## EXHIBIT B

After recording, return to:  
Division of Real Estate  
City and County of Denver  
201 West Colfax Avenue, Dept. 1010  
Denver, Colorado 80202

**Project Description: FINAN-202053251-00**

**Asset Mgmt. No.:** \_\_\_\_\_

### QUIT CLAIM DEED (793 Olive Street & 715 S. Poplar Street)

THE CITY AND COUNTY OF DENVER, a Colorado municipal corporation ("City" or "Grantor"), whose address is 1437 Bannock Street, Denver, Colorado 80202, for the consideration of Ten and 00/100 Dollars (\$10.00), and other good and valuable consideration, including combating homelessness by providing affordable housing units (as set forth below), in hand paid, hereby sells and quit claims to COTTONWOOD COMMUNITY ALTERNATIVES, INC., a Colorado nonprofit corporation ("Grantee"), whose address is P.O. Box 946, Englewood, Colorado 80151-0946, the following real property, together with all improvements thereon, in the City and County of Denver, State of Colorado, to-wit ("Property"):

**Parcel A: Know by street address at 793 N. Olive Street, Denver, CO:**

Lots 29 and 30, Block 28, Richthofen's Montclair, City and County of Denver, State of Colorado.

**Parcel B: Known by street address as 716 S. Poplar Street, Denver, CO:**

Lot 24, Block 3, Lee Downs, City and County of Denver, State of Colorado.

### RESTRICTIVE USE COVENANTS

(a) The Grantor's conveyance of the Property to Grantee is subject to Grantee providing certain housing and supportive services to individuals with developmental disabilities whose incomes are at or below thirty (30%) of the median income, as further defined below. Such use of the Property shall be monitored by the City and County of Denver's Department of Housing Stability or any successor department ("HOST") in accordance with the requirements of the annual reports as described below. Grantee, on behalf of itself and its successors and assigns, agrees that the Property may only be used for the purposes of operating a Residential Facility as defined below and more fully set forth below.

(b) "Residential Facility" shall mean an independent living residential facility consisting of private rooms with shared amenities for individuals with developmental disabilities whose incomes are at or below thirty percent (30%) of the median income for

the Denver area as published by the Colorado Housing and Finance Authority (“CHFA”). Within the Residential Facility, no less than six (6) private residential rooms shall be available for rent (“Residential Rooms”), and there shall be two (2) private rooms available for occupancy by onsite managers (“Manager Rooms”). Occupancy of the Residential Rooms and Manager Rooms are restricted to only one occupant. Evidence that Grantee is complying with these standards shall be provided to and approved by the Executive Director of HOST (or successor position) (“Executive Director”) in accordance with the requirements set forth below to be submitted in Reports (defined below). In the event Grantee, its successors or assignees cease to operate a Residential Facility on the Property prior to the end of Restrictive Period (defined below), the Grantor, by written notice signed by the Mayor, at its sole option, and as a monetary remedy for the cessation of such operations, shall be entitled to repurchase the Property for the amount of Ten Dollars (\$10.00), the consideration paid by Grantee for the Property (“Right of Repurchase”). In the event the City exercises the Right of Repurchase in accordance herewith, the Parties expressly acknowledge and agree that Ten Dollars (\$10.00) is the only consideration payable by the City to Grantee and the City shall not be liable for any costs incurred by Grantee related to redevelopment and rehabilitation of the Property. At the discretion of the Executive Director, the City may also proceed to endorse the Right of Entry for Condition Broken as set forth below. In addition, whether the City repurchases the Property or enforces the Right of Entry for Condition Broken, the City shall give Grantee notice and the opportunity to cure as set forth below. No less than six (6) of the Residential Rooms must be available to begin residential move in and occupancy within twelve (12) months of the date of this deed, and the Residential Rooms must be at least 66.6% occupied within eighteen (18) months from the date of this deed, or Grantee shall be in default of this restrictive use covenant.

(c) The base rent for the Residential Rooms at the Property shall not exceed the lesser of (i) thirty percent (30%) of the adjusted income of an individual whose annual income equals thirty percent (30%) of the median income for the Denver area, as published by CHFA, or (ii) thirty percent (30%) of the tenant’s income.

(d) Grantee, its successors and assigns, agree that, from the date of the deed until the date that is ninety-nine (99) years thereafter (the “Restrictive Period”), the Property may only be used as a Residential Facility, and such use shall not be amended or modified without the express written consent of the Mayor and the Executive Director. At the end of the ninety-nine (99) year Restrictive Period, the restrictions set forth herein, shall automatically terminate and be of no further force and effect without the execution or recording of any documentation. This restrictive use covenant runs with the land until expiration of the Restrictive Period or such time as it may be terminated by the City.

(e) This covenant may be enforced by the City and County of Denver or appropriate representatives thereof.

## REPORTS

(a) Each calendar year during the Restrictive Period, Grantee shall prepare and submit to the Executive Director or her/his designated representative, an annual report in a form satisfactory to the Executive Director (the "Report"). The Report shall be submitted on or before March 31 of each year for the preceding calendar year. City shall notify Grantee of its approval or rejection of each such Report on or before May 31 of the year in which such Report was submitted by Grantee, but in no event shall City's failure to timely notify Grantee be deemed acceptance. At a minimum, the Report must include:

(i) Rent rolls for the Property which include supporting documentation of percentage of annual income and confirmation of developmental disabilities. The rent rolls will also show that the average annual occupancy rate for the six (6) Residential Rooms shall be at a minimum of sixty-six and six tenths percent (66.6%) and two (2) Manager Rooms must be occupied by employees of Cottonwood Community Alternatives, Inc. Failure of Grantee to maintain this level of occupancy shall constitute a breach of the restrictive use covenants to operate a Residential Facility.

(ii) A description of any challenges and extraordinary events.

(iii) Grantee's annual budget for the coming calendar year including any anticipated significant maintenance items.

(iii) Grantee's actual revenues and expenditures for the past calendar year and a comparison of the actual numbers to its submitted budget.

(iv) Copies of all grant agency audit reports and audits of financial statements for the prior calendar year.

(v) A Certificate of Insurance as proof of property insurance and liability insurance in an amount no less than the value of the building on the Property.

(vi) Proof that Grantee is a Program Approved Service Agency by Colorado Department of Public Health and Environment and is in good standing with the Colorado Secretary of State.

The City shall have the right to request additional financial and occupancy information which it deems necessary or desirable at any time during the year. Any information requested by the City shall be delivered by Grantee to the City within twenty-one (21) days of receiving such request. Additionally, at the sole discretion of the Executive Director, he/she or a designee may inspect a sampling of housing units to insure that the units meet Housing Quality Standards as defined by Department of Housing and Urban Development ("HUD").

**RIGHT OF RE-ENTRY FOR CONDITION BROKEN**

(a) City shall have the right, at the discretion of the Executive Director, to re-enter and retake the Property upon thirty (30) days written notice to Grantee in the event Grantee does not meet the material obligations and goals set forth in this deed.

(b) Prior to City exercising its right to re-enter and retake the Property, Grantee shall be given the right to cure any deficiencies noted within sixty (60) days (or one hundred twenty (120) days as described below) of notice from City. If such cure is effected within the sixty (60) day period, or in the event the cure cannot be fully completed within sixty (60) days, and Grantee has started making good faith efforts to cure any violations, and has completed such actions within one hundred twenty (120) days, the right of entry for condition broken shall not be exercised.

(c) Determination of whether a cure has been effected shall be at the reasonable discretion of the Executive Director, however the Executive Director must base such decision on the parameters for the Residential Facility set forth herein. City may enforce its right of entry for condition broken by initiating a forcible entry and detainer action in the event Grantee does not vacate the Property.

(d) City, at its sole option, as may be exercised by the Mayor, may waive or modify the restrictive use covenants set forth in this deed, upon request by Grantee. Upon any waiver or modification of the restrictive use covenant by City, or upon the City's relinquishment of its right of entry for condition broken, City shall execute an appropriate document in recordable form to waive, modify or relinquish the covenant and/or the right of entry set forth herein.

SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

**ATTEST:**

**CITY AND COUNTY OF DENVER**

By: \_\_\_\_\_

By: \_\_\_\_\_

Clerk and Recorder, Ex-Officio Clerk  
of the City and County of Denver

Michael B. Hancock, Mayor

**APPROVED AS TO FORM:**

Kristin M. Bronson, Attorney for  
the City and County of Denver

By: \_\_\_\_\_

Assistant City Attorney

STATE OF COLORADO                    )  
  ) ss.  
CITY AND COUNTY OF DENVER        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2020  
by Michael B. Hancock, Mayor of the City and County of Denver.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public