

CABLELAND AGREEMENT

The Cableland Agreement ("Agreement") is made between Bill Daniels ("Bill") and the City and County of Denver, Denver, Colorado ("City").

1. **Conveyance to City.** By Special Warranty Deed dated the same date as this Agreement, Bill has conveyed to the City a vested remainder interest in the real property known as 4130 Shangri-La Drive, Denver, Colorado, which is legally described as Lots 1 through 3 inclusive and Tract A, Block 2, Shangri-La Heights, City and County of Denver, State of Colorado ("Cableland"). This conveyance is free and clear of any mortgage, deed of trust or other indebtedness (other than the lien for general taxes, if any). The terms of this Agreement are covenants running with the land and will survive any merger of title during any time that the City directly or indirectly holds legal or equitable title to Cableland. Bill agrees that, at his death by will or trust instrument, he will give the City certain items of tangible personal property (including the furniture, furnishings, linens, cookware, silverware and china located at Cableland and owned by Bill, but excluding business and personal awards, other items of a personal nature, the Cableland automobiles, and the resident manager's personal property). After Bill's death, any reference to Cableland includes a reference to this personal property as transferred by Bill's will or trust instrument.

2. **Reserved Life Estate.** Bill expressly reserves for his life the exclusive and entire use, possession and control of Cableland, including all of its benefits and burdens. During the period of this reserved life estate, Bill will pay all Cableland expenses (including all of the costs of management, operation, maintenance, repair and improvement of Cableland). Bill in his sole discretion will determine the extent and nature of any repairs or improvements made.

3. **Remainder Interest.** After Bill's death, all of the benefits and burdens of Cableland will inure to the City, subject to the provisions of this Agreement. The City agrees that, after Bill's death and except as otherwise specifically provided in this Agreement, it [a] will manage, operate, maintain and repair Cableland through City employees under the direction of the Manager of the Denver Parks and Recreation or such other person as the City may determine ("Manager"). [b] will hold and administer an endowment fund created by Bill as the Cableland Trust in accordance with Section 8. [c] will not make any substantial alterations within Cableland that would hinder its intended uses. [d] will not substantially change Cableland's exterior appearance. [e] will change no City real estate taxes to Cableland to the extent that Cableland is regarded as tax-exempt under Colorado law, and [f] will make any City utility or other discount available to Cableland. To the extent that the Manager uses City employees to perform work at Cableland for regular grounds, exterior and interior maintenance, no charge for this employee cost will be made against the Cableland Trust. To the extent that the earnings from the Cableland Trust are

not available or are insufficient for the proper management, operation, maintenance, repair and improvement of Cableland, the City, in its discretion, may from time to time make appropriations of money for such purposes. The City may, in its discretion, change the name of Cableland after Bill's death.

4. **Mayor's Residence.** After Bill's death, the City agrees that Bill's private quarters (including the guest suite) at Cableland will be used exclusively as the official residence of the City's Mayor. This provision will become effective on the last of July 1, 2003 or a reasonable period of time after Bill's death. Approval of this Agreement by ordinance will constitute the City's acceptance of Bill's private quarters as the official residence of the City's Mayor. As the Mayor's official residence, Bill's private quarters at Cableland will be available for the private use of the Mayor and his or her immediate family. Such use will permit (but not require) either part-time or permanent occupancy as a residence as well as occupancy for the Mayor's personal use in the conduct of the City's business.

5. **City and Charitable Use.** After Bill's death, the City agrees that the non-private quarters of Cableland will be [a] used for official functions of the City, and [b] made available no more than fifty times in each full calendar year (unless unusual circumstances exist) to tax-exempt charitable organizations for non-political events. These charitable organizations will be selected with the objective of benefiting the people of the City and County of Denver by providing a venue for charitable fund raising and the promotion of public-awareness of the charitable purposes served by such organizations.

6. **Cableland Foundation.** Bill agrees to establish the Cableland Home Foundation as a Colorado nonprofit corporation ("Cableland Foundation"). After Bill's death, the Cableland Foundation's primary purposes will be [a] to supervise and manage the use of the non-private quarters of Cableland by tax-exempt charitable organizations in accordance with Section 5 and [b] to raise funds, in its discretion, for capital improvements to Cableland. Any funds (net of expenses) raised by the Cableland Foundation for capital improvements to Cableland will promptly be transferred to the City and the City will hold and administer any such principal amount as an addition to the Cableland Trust. All such amounts, including earnings, will be separately accounted for by the City and will be available for capital improvements to Cableland as directed by the Cableland Foundation and as approved and implemented by the Manager. After Bill's death, the board of directors of the Cableland Foundation will consist of seven members. Four of the seven directors will initially be selected by Bill, and will be self-perpetuating. Two of the seven directors will be appointed by the Mayor after Bill's death, subject to confirmation by the City Council. After Bill's death, the Manager will be the seventh director. If the Manager is unable to attend any board meeting, the Manager may appoint a non-voting designee to attend such meeting. The City and the Cableland Foundation will enter into a written Cooperative Agreement that provides for such matters as they may from time to time agree, all in a manner which is consistent with this Agreement (and when in conflict or apparent conflict, the provisions of this Agreement will prevail).

7. **Kornblatten Employees.** After Bill's death, the Cabelland Foundation will employ a full-time Cabelland resident manager (who will be entitled to the rent-free use of the caretaker's apartment) and may employ a full-time or part-time Cabelland housekeeper ("Kornblatten Employees"). The Cabelland Foundation will have sole authority to hire, supervise and discharge the Foundation Employees in accordance with the laws applying to private employees. The Cabelland Foundation will prepare and deliver to the Manager an annual payroll budget for the Foundation Employees which is commensurate with the pay scale and fringe benefits applying to comparable City or private employees within the Denver metropolitan area. Each payroll budget will include the anticipated costs of wages, overtime, benefits and insurance, as well as withholding taxes and other payroll items. Subject to the availability of earnings from the Cabelland Trust, the City will disburse funds to the Cabelland Foundation in accordance with the payroll budget, in advance. Any unused payroll budget funds remaining at the end of any annual period will either be returned to the City or applied against the following year's payroll budget. The payroll budget may be part of a comprehensive annual budget for all anticipated expenditures at Cabelland, with such items (other than the payroll budget) and disbursement procedures as the Foundation and the City may from time to time agree.

8. **Cabelland Trust.** Bill agrees that, at his death by will or trust instrument, he will give U.S. \$3 million to the City, in trust, to be set aside as a permanent fund for the benefit of Cabelland ("Cabelland Trust"). Upon receipt of such gift, the City agrees that it, as trustee, will hold and administer such gift (including any income, earnings, appreciation and other additions) as the Cabelland Trust in accordance with the following provisions:

- [a] The gift is to be held as a separate and permanent fund ("Fund"), administered by the City Treasurer, or such other person as the City may determine.
- [b] The Fund's earnings are to be used solely to manage, operate, maintain, repair and improve Cabelland. Earnings include interest, dividends and realized gains on the sale of stock or securities (or other capital transactions). The terms "maintain, repair and improve" are to be liberally construed, so that Cabelland will exist in a "first-class" condition both with respect to current operations and capital improvements. Any unused earnings will be added to the Fund's principal at the end of each fiscal year.
- [c] The Fund's initial \$3 million principal amount will continue as a permanent fund, and is not to be invaded for any purpose. If the net fair market value of the fund decreases below \$3 million for any reason, no distribution of any realized gain from the sale of stock or securities (or other capital transactions) will be made until such \$3 million of principal value is again achieved.

[d] Without limitation, the Fund's earnings are to be used to maintain fire and casualty insurance in an amount not less than the estimated replacement value of Cabelland (exclusive of land value), subject to a reasonable deductible amount, so that reconstruction would be insured in the event of any property loss. To the extent not self-insured by the City, liability insurance is to be maintained to cover the use of the non-private quarters at Cabelland by tax-exempt charitable organizations.

[e] Any principal amount raised by or transferred to the Fund by the Cabelland Foundation and earnings on such amounts, are to be separately accounted for and will be available for capital improvements to Cabelland in accordance with Section 6. Any other transfers to the Fund's principal, including earnings on such amounts, are to be available for the purposes set forth in subsection [b] above.

[f] The Fund will exist in perpetuity, unless sooner terminated as provided in Section 9.

9. **Default.** After Bill's death, if Bill's private quarters at Cabelland are primarily used for any purpose other than as the Mayor's official residence as provided in Section 4, or if any material default exists with respect to the City's performance under this Agreement which is not cured within 45 days following written notice from the Cabelland Foundation or any other interested person (including the Daniels Foundation), then the City [a] will promptly convey and transfer Cabelland (including any personal property transferred pursuant to Section 1 which then remains), free of and clear of this Agreement and any mortgage, deed of trust or other indebtedness (other than the lien for general taxes, if any), and [b] will promptly deliver and assign the assets of the Cabelland Trust then remaining, including principal and undistributed income, to the Daniels Foundation, a Colorado nonprofit corporation which has been established by Bill. Notwithstanding the preceding sentence, if the Daniels Foundation is not then a Qualified Charity, the City will transfer such property to one or more Qualified Charities organized and operated exclusively for one or more Charitable Purposes pursuant to an order issued by the Probate Court of the City and County of Denver (or other court of competent jurisdiction). The terms Qualified Charities and Charitable Purposes will be as defined in the Articles of Organization of the Daniels Foundation. Notice to the City may be delivered personally or by facsimile (with receipt verified by telephone) to the Manager, or will be deemed delivered upon the third day following posting by certified mail, return receipt requested, to the Manager at the Manager's then current mailing address.

10. **Miscellaneous.** Neither party will assign or transfer (except by operation of law) any interest in this Agreement without the other's prior written consent. This Agreement will be binding upon, and inure to the benefit of, the parties and their permitted successors and assigns. The Cabelland Foundation and the Daniels Foundation will be treated as third party beneficiaries of this Agreement. The parties agree to sign, acknowledge and deliver such other documents of further assurance and conveyance as

may reasonably be necessary to carry out the terms and to effectuate the intent of this Agreement. Except as to the provisions reserving a life estate in Cabletland to Bill and creating a vested remainder interest in Cabletland in the City (which provisions are irrevocable), this Agreement may be amended only during Bill's life and only by a writing signed by Bill and the City. No waiver of any provision of this Agreement will be effective unless in writing, and no waiver will be deemed a waiver of any subsequent default of the same or similar nature. Two originals of this Agreement will be signed, with one original to be delivered to each party. Colorado law governs. The parties have signed this Agreement on the dates indicated, to be effective when signed by both of them.

Date: _____, 1998

BILL DANIELS

STATE OF COLORADO)

) ss.

CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this _____ day of _____, 1998, by Bill Daniels. Witness my hand and official seal. My commission expires: _____

[SEAL]

Notary Public

[City's signatures are on next page]

Attest:

ROSEMARY E. RODRIGUEZ,
Clerk and Recorder, Ex-Officio
Clerk of the City and County of
Denver

Approved as to Form:

DANIEL E. MUSE, Attorney
for the City and County of Denver

By: _____

Assistant City Attorney

CITY AND COUNTY OF DENVER

By: WELLINGTON E. WEBB,
Mayor

Date: _____, 1998

Recommended and Approved:

By: BETTY JEAN "B.J." BROOKS,
Manager of Parks and Recreation

Registered and Countersigned:

By: DONALD J. MARES,
Auditor

Contract Control No: _____

Passed by ordinance 19980062