

GRANT AGREEMENT - ACQUISITION

THIS GRANT AGREEMENT is made between the **CITY AND COUNTY OF DENVER**, a municipal corporation organized pursuant to the Constitution of the State of Colorado (“City”), and **THE DENVER RESCUE MISSION**, a Colorado nonprofit corporation, whose address is 3501 E 46TH Avenue, Denver, Colorado 80216 (“Grantee”).

WITNESSETH:

WHEREAS, the City is willing to provide funding to Grantee to further the goals of its Denver Road Home program by providing for the purchase of property located at 2222 and 2232 Lawrence Street in Denver (the “Property”) for the purpose of acquiring the Property (herein the “Work”) and thereafter to retrofitting the Property for a community center providing homeless day center including a courtyard area;

WHEREAS, Grantee has provided education, assistance and temporary/transitional housing to the homeless and needy for over a hundred and twenty years and in support of goals 2.3 and 2.4 *Shelter System of Denver’s Ten-Year Plan to End Homelessness – 2013 Updated – Year 8- Fourth revision* administered by Denver’s Road Home, Grantee will be acquiring and retrofitting the Property; and

WHEREAS, the Grantee is eligible to receive these funds for the purposes outlined herein and is ready, willing and able to meet the conditions associated therewith;

WHEREAS, The Grantee has executed a Purchase and Sale Agreement and Joint Escrow Instructions dated December 9, 2013 for the acquisition of the Property, as amended by the First Amendment to Purchase and Sale Agreement dated March 7, 2014 (collectively referred to as the “PSA”).

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

1. **GRANT TO GRANTEE**: Subject to the terms of this Agreement, the City agrees to grant to Grantee the sum of Three Million Six Hundred Sixty-Six Thousand and 00/Dollars (\$3,666,000.00). Repayment of the total grant amount shall be deferred so long as Grantee is in compliance with the terms and conditions of this Agreement and a promissory note in form satisfactory to City evidencing this grant (the “Promissory Note”). Provided Grantee complies with the terms of this Agreement, repayment of all amounts due under the Promissory

Grantee is unable to complete the Work. The Grantee agrees a condition of the grant is its execution of the Promissory Note and Deed of Trust.

B. Within sixty (60) days after fifteen (15) years from the date of this Agreement, presuming compliance by Grantee with its obligations hereunder, the Promissory Note will be cancelled, and the Deed of Trust will be released by the City (at Grantee's expense).

C. The Grantee shall at its own expense, maintain said premises and real property in good condition, and repair and rehabilitate any improvements which may be damaged or destroyed by fire, casualty or causes whatsoever. The City is not obligated to make any repairs or replacements to the Property.

7. **MAINTENANCE AND REPLACEMENT**: Grantee shall maintain the Property in compliance with all applicable state and local code requirements.

8. **EXPENSE**: The Grantee agrees to pay all direct costs, expenses and attorney fees reasonably incurred by the City in connection with the Grantee's breach or default of this Agreement, the Promissory Note, or the Deed of Trust, and agrees to pay reasonable third party closing costs, including the costs of owner's title insurance as determined by City.

9. **EXAMINATION OF RECORDS/ANNUAL MONITORING**: The Grantee agrees that the City, or any of their duly authorized representatives shall, until the expiration of three (3) years after the expiration of the affordability period set forth in Section 6 above entitled "**RESTRICTIONS ON USE OF PROPERTY**," have access to and the right to examine any directly pertinent books, documents, papers, and records of the Grantee involving transactions related to this Agreement. Grantee shall fully cooperate with City in an annual monitoring of Grantee's performance and site inspection to verify compliance with the requirements of this Agreement.

10. **CONDITIONS**: This Agreement is also subject to the provisions of the City Charter and Revised Municipal Code as the same may be amended from time. The obligation of the City to grant the above sums is limited to funds appropriated for the purpose of this Agreement by the City Council and paid into the City treasury. No less than (5) five days prior to the Approval Date as defined in the PSA, as modified, but in no event no later than July 10, 2014, Grantor shall inform Grantee if the grant has not been funded.

11. **NO DISCRIMINATION IN EMPLOYMENT**: In connection with the performance of Work, the Grantee agrees not to refuse to hire, discharge, promote or demote, or

their appointed and elected officials, agents or employees conduct pertaining to governmental or quasi-governmental decision making including the zoning and building permit process.

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

C. Subject to the terms of this Section 13, Grantee will defend any and all Claims which may be brought against City or DURA and will pay on behalf of City or DURA any expenses incurred by reason of such Claims including, but not limited to, court costs and reasonable attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity obligation. Such payments on behalf of City or DURA shall be in addition to any other legal remedies available to City or DURA and shall not be considered City's or DURA's exclusive remedy.

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

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

14. DEFAULT AND ACCELERATION. Grantee expressly agrees that any breach of this Agreement, the Promissory Note, or the Deed of Trust, after fifteen (15) business days' written notice from the City to Grantee of any breach and after a reasonable opportunity to cure shall constitute a default. The City also may declare a default if any warranty, representation or statement made or furnished to the City by or on behalf of Grantee in connection with this Agreement proves to have been false in any material respect when made or furnished. Upon the existence of a default (and Grantee's failure to cure or failure to use reasonable efforts to cure following receipt of written notice set forth herein), and thereafter without necessity of notice, presentment, demand, protest, or notice of protest of any kind, all of which are expressly waived by the Grantee, the City shall have the right to accelerate any outstanding obligations of the Grantee, which shall be immediately due and payable, including payments under the Promissory Note, to foreclose upon the Property, and to enforce or assign its rights under the Deed of Trust. Upon default, the principal shall draw interest at the rate of seven percent (7%) per annum.

Contract Control Number:

Grantor Name:

ATTEST:

CITY AND COUNTY OF DENVER

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

By: _____
Mayor

APPROVED AS TO FORM:
DAVID W. BROADWELL, City Attorney
for the City and County of Denver

RECOMMENDED AND APPROVED:

By: _____
Assistant City Attorney

By: _____
Director _____

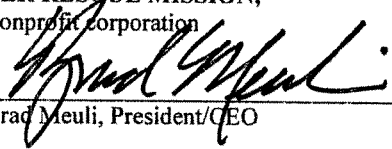
REGISTERED AND COUNTERSIGNED:

By: _____
Manager of Finance
Contract Control No. _____

By: _____
Auditor

THE DENVER RESCUE MISSION,
a Colorado nonprofit corporation

By:



Brad Meuli, President/CEO

EXHIBIT A

It is the intent of the Denver Rescue Mission to acquire the Property and thereafter to either retrofit the Property or demolish and construct on the Property a community center providing a homeless day center and courtyard area to assist the needs of the homeless population of Denver. The day shelter is anticipated to include the construction of a kitchen and dining program room on the Property. These purposes are in direct support of goals 2.3 and 2.4 of the Shelter System of Denver's Ten-Year Plan to End Homelessness-2013 Update-Year 8-Fourth Revision, administered by Denver's Road Home which provides:

- 2.3 Collaborate with providers to support capital and material improvements at shelters.
- 2.4 Continue to partner with service providers to utilize day shelter space or other nonprofit or public space for purposes of offering resource centers.