

PURCHASE AND SALE AGREEMENT
(1901 29th Street)

THIS PURCHASE AND SALE AGREEMENT (“Agreement”) made and entered into as of the Effective Date, between the **CITY AND COUNTY OF DENVER**, a home rule city and municipal corporation of the State of Colorado, whose address is 1437 Bannock Street, Denver, Colorado 80202 (the “**City**”), and **THE SALVATION ARMY**, a California corporation, whose address is 30480 Hawthorne Blvd., Rancho Palos Verdes, California 90275 (“**Seller**”). City and Seller are collectively referred to herein as the “**Parties**” and individually as a “**Party.**”

RECITALS

A. Seller owns certain real Property (as defined in Section 1 below) in the City and County of Denver, State of Colorado; and

B. Subject to the terms of this Agreement, Seller agrees to sell and the City agrees to purchase the Property;

C. Pursuant to that certain Agreement dated January 20, 2017 between the City and Seller, as amended, having Contract No. SOCSV-201631673-03, the Seller is to provide at the Property certain emergency shelter facilities and services for the homeless (“**Service Contract**”); and

D. Upon the City’s purchase of the Property, the City agrees to lease the Property back to Seller pursuant to the terms of a lease agreement, the form of which is attached as an exhibit to this Agreement.

NOW, THEREFORE, in consideration of the promises 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. SUBJECT PROPERTY. Subject to the terms of this Agreement, the City shall purchase and the Seller shall sell the real property interests generally located at 1901 29th Street, Denver, Colorado 80216 as more particularly described in **Exhibit 1**, attached hereto and incorporated herein by reference, together with Seller’s interest, if any, in: (i) all easements, rights of way and vacated roads, streets and alleys appurtenant to the property described in **Exhibit 1**; (ii) all buildings, fixtures and improvements on the property described in **Exhibit 1**; (iii) all of Seller’s right, title and interest, if any, in and to all utility taps, licenses, permits, contract rights, and warranties and guarantees associated with the property described in **Exhibit 1**; (iv) all water rights and conditional water rights that are appurtenant to or that have been used or are intended for use in connection with the property, (a) any ditch, well, pipeline, channel, spring, reservoir or storage rights, whether or not adjudicated or evidenced by any well, decree, order, stock certificate, permit or other instrument, (b) all rights with respect to nontributary or not nontributary groundwater (and other groundwater that is subject to the provisions of Colorado Revised Statutes Section 37-90-137(4) or the corresponding provisions of any successor statute) underlying the land, (c) any permit to own, use or construct any water well on or about the land (including those from which water is intended to be used in connection with the land), and (d) all of Seller’s right, title and interest in, to or under any decreed or pending plan of augmentation or water exchange plan. (collectively “**Property**”).

2. PURCHASE PRICE.

a. Purchase Price. The total purchase price for the Property to be paid by the City at Closing (as defined in this Agreement as just compensation is **TEN MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$10,500,000.00)** ("**Purchase Price**"), which shall be payable as follows:

b. Earnest Money Deposit. On or before the 10th business day after the Effective Date, the City shall deposit with Land Title Guarantee Company ("**Title Company**") an earnest money deposit in the amount of **FIFTY THOUSAND AND 00/100 DOLLARS (\$50,000.00)** (which earnest money deposit, together with all interest and dividends earned thereon, is herein referred to as the "**Deposit**"). The Deposit shall be retained by Seller or returned to the City in accordance with the terms and conditions of this Agreement.

c. Balance. The balance of the Purchase Price (after crediting the Deposit), subject to prorations and adjustments in accordance with Section 14 of this Agreement, shall be paid on the Closing Date.

3. ENVIRONMENTAL CONDITION.

a. Environmental Information. By the timeframe set forth in Section 7(a), Seller shall disclose, in writing, to the City all information Seller has actual knowledge of regarding any environmental contamination (including asbestos-contaminated soils) or the presence of any hazardous substances or toxic substances on, under, or about the Property. If Seller acquires any actual knowledge of any additional information regarding environmental contamination, Seller has the ongoing duty to provide such information to the City up to the time of Closing, and will do so within five (5) days of the receipt of such additional information. For purposes of this Agreement: "hazardous substances" means all substances listed pursuant to regulation and promulgated under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C., § 9601 *et seq.*, or applicable state law, and any other applicable federal or state laws now in force or hereafter enacted relating to hazardous waste disposal; provided, however, that the term hazardous substance also includes "hazardous waste" and "petroleum" as defined in the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 *et seq.* §6991(1). The term "toxic substances" means and includes any materials present on the Property that are subject to regulation under the Toxic Substance Control Act ("TSCA"), 15 U. S. C. § 2601 *et seq.*, applicable state law, or any other applicable federal or state law now in force or later enacted relating to toxic substances. The term "toxic substances" includes, but is not limited to, asbestos, polychlorinated biphenyls (PCB's), and lead-based paints.

b. Environmental Review. City, at its sole option and expense, may conduct or cause to be conducted environmental audits and perform other environmental tests on the Property to identify any existing or potential environmental problems located in, on, or under the Property, including but not limited to, the presence of any hazardous waste, hazardous substances or toxic substances. Seller hereby grants the City and any of its employees and consultants access to the Property to perform such audits and tests.

c. Notice of Unacceptable Environmental Conditions, Cure, City Election. By the deadline set forth in Section 7(b) of this Agreement, the City shall give notice to Seller of any unacceptable environmental condition relating to the Property. Seller may elect (in Seller's sole

discretion), at Seller's sole cost and expense, to cure such unacceptable environmental conditions by the deadline set forth in Section 7(c) to the City's satisfaction. In the event Seller declines to cure the unacceptable environmental conditions or fails to respond to City's notice thereof by the date set forth in Section 7(c) of this Agreement, the City, in its sole discretion, may elect to waive such unacceptable conditions and proceed to Closing by the deadline set forth in Section 7(d) of this Agreement or treat this Agreement as terminated with no further obligation on the part of either Party.

4. **INSPECTION/SURVEY.** The City has the right to inspect the physical condition of the Property. Seller, at its sole cost and expense, shall provide to the City copies of any surveys of the Property in its possession or under its control in accordance with the delivery schedule set forth in the Section 7 (a) below. In addition, the City, at its sole cost and expense, shall have the right to either update any survey delivered to the City by Seller, or have its own survey completed. This right to inspect is in addition to the right of the City to obtain an environmental audit. The City shall give notice of any unacceptable physical or survey condition of the Property to Seller by the deadline set forth in Section 7(b). Seller may elect (in Seller's sole discretion) at Seller's sole cost and expense, to cure such unacceptable physical or survey condition by the deadline in Section 7(c) of this Agreement to the City's satisfaction. In the event Seller declines to cure the unacceptable physical or survey conditions or fails to respond to the City's notice thereof by the date set forth in Section 7 (c) of this Agreement, the City, at its sole discretion, may elect to waive such unacceptable physical or survey condition by the date set forth in Section 7(d) of this Agreement and proceed to Closing or terminate this Agreement by providing written notice thereof to Seller in which event the Title Company shall return the Deposit to the City and this Agreement shall terminate automatically and be of no further force or effect and neither party shall have any further rights or obligations hereunder (other than pursuant to any provision hereof which expressly survives the termination of this Agreement). In the event the City terminates this Agreement in accordance with the terms contained herein, the City shall return to Seller all documents, contracts and any other materials provided by Seller to City in connection with its inspection of the Property. Upon receipt from Seller of fifty percent (50%) of the cost of any reports obtained by the City during its inspection of the Property, the City shall provide copies of such reports to Seller; provided, however, the City makes no representations or warranties as to the accuracy or completeness of the reports.

Seller shall, within ten (10) days of the Effective Date, deliver to City copies of any and all existing leases, agreements, contracts or arrangements for management, service, maintenance or operation with respect to the Property, that are currently in Seller's possession ("**Service Contracts**"). Prior to the expiration of the Due Diligence Period (defined in Section 7(b)(i) below), City shall notify Seller which of the Service Contracts it elects to assume at Closing, if any. In the event City fails to notify Seller of such election the Service Contracts shall be terminated on or before the Closing Date at the sole and exclusive cost of Seller.

5. **TITLE.**

a. **Title Review.** The City has obtained a commitment for Seller's title insurance policy for the Property, including updates thereto, and all copies or abstracts of instruments or documents identified in the commitment ("**Title Documents**"). The City has the right to review the Title Documents. The City shall provide a copy of the Title Documents to Seller within seven (7) days of the Effective Date of this Agreement.

b. Matters Not Shown by the Public Records. By the deadline set forth in Section 7(a) of this Agreement, Seller shall deliver to the City complete and accurate copies of all lease(s) and survey(s) in Seller's possession pertaining to the Property that are not included in the Title Documents and shall disclose, in writing, to the City all easements, licenses, right to use agreements, liens or other title matters not shown by the public records of which Seller has actual knowledge that are not included in the Title Documents. In addition, Seller shall provide all documents that pertain to the Property and to the extent in Seller's possession, including but not limited to, soil reports, geo tech reports, traffic studies, surveys, leases, and operating expenses for the subject Property.

c. Notice of Unacceptable Condition, Cure, and City Elections. The City shall give notice of any unacceptable condition of title to Seller by the deadline set forth in Section 7(b) of this Agreement. At Seller's sole cost and expense, Seller may cure such unacceptable conditions by the date in Section 7(c) of this Agreement to the City's satisfaction. In the event Seller declines to cure such unacceptable conditions or fails to respond to the City's notice thereof by the date in Section 7(c) of this Agreement, the City in its sole discretion and by the date set forth in Section 7(d) of this Agreement, may elect to waive such unacceptable conditions and proceed to Closing or terminate this Agreement by providing written notice thereof to Seller in which event the Title Company shall return the Deposit to the City and this Agreement shall terminate automatically and be of no further force or effect and neither party shall have any further rights or obligations hereunder (other than pursuant to any provision hereof which expressly survives the termination of this Agreement).

d. Subsequently Discovered Defects. At any time prior to Closing if any matter affecting title to the Property ("**Defect**") shall arise or be discovered by the City which is not set out in the Title Documents or disclosed to the City by Seller prior to the expiration of the Due Diligence Period, the City shall have the right to object to such Defect by the delivery to Seller of notice of such Defect within five (5) days after the City discovers such Defect provided that, if such Defect is discovered within five (5) days prior to the Closing Date, the Closing shall be extended for such period as may be necessary to give effect to the provisions of this Section 5 (d). Upon receipt of notice of the City's objection to any such Defect, Seller shall have the right, but not the obligation, to cure such Defect to the satisfaction of the City and the Title Company for a period of five (5) days from the date of such notice. If such cure period extends beyond the Closing Date, the Closing Date shall be extended to three (3) days after the expiration of such cure period. If Seller cures the City's objection to the satisfaction of the City within such cure period, then the Closing shall occur on the original or postponed date of the Closing but otherwise upon the terms and provisions contained herein. If Seller has not cured such Defect to the satisfaction of the City and the Title Company, the City shall either (a) close on such original or postponed date (and the City shall thereby be deemed to have waived such objection); or (b) extend the Closing Date by written notice to Seller to allow such additional time as the parties may agree for Seller to cure the Defect; or (c) terminate this Agreement by giving notice to Seller before such original or postponed date, in which case the Title Company shall return the Deposit to the City and this Agreement shall terminate automatically and be of no further force or effect and neither party shall have any further rights or obligations hereunder (other than pursuant to any provision hereof which expressly survives the termination of this Agreement).

6. CLOSING PRE-CONDITIONS.

a. Delivery of title shall be evidenced by the willingness of the Title Company to issue to City, at Closing, an ALTA form of extended coverage owner's policy of title insurance insuring marketable fee simple title to the Property in City in the amount of the Purchase Price, subject only to the permitted exceptions accepted by the City in accordance with Section 5 above (the "**Title Policy**"). Seller shall cooperate with the Title Company by executing, as necessary, reasonable and customary affidavits and provide reasonable assurances necessary for removal of the standard exceptions for defects, liens, mechanic's liens, tax or assessment liens, title insurance, encumbrances, encroachments, prescriptive easements, adverse claims, or similar matters, regarding such matters. The issuance of the Title Policy shall be a condition to City's obligation to close hereunder.

b. Prior to Closing, except for the Service Contract between the City and Seller, Seller shall have terminated the Service Contracts unless such Service Contract has been assumed in writing by City. Seller's aforementioned obligation to execute necessary affidavits and provide adequate assurances for the removal of the standard exceptions from title insurance to be issued is a condition precedent to the City's obligation to purchase the Property. If Seller does not provide the adequate assurances by the date in Section 7(d) of this Agreement, then the City may elect to waive the failure to provide the adequate assurances and proceed to Closing or treat this Agreement as terminated with no further obligation on the part of either Party.

c. From the Effective Date until the Closing Date or earlier termination of this Agreement, Seller: (a) shall operate and maintain the Property in the manner that it is currently being operated and maintained by Seller; (b) shall not enter into any new lease, lease modification, lease extension or other occupancy or use agreement without obtaining City's prior written consent, which consent may be withheld or delayed in City's sole and absolute discretion; and (c) shall not enter into any contracts or commitments that will survive the Closing other than a contract that is terminated on less than thirty (30) days' notice.

7. **TIMEFRAMES.**

a. Seller's Disclosure. Except as otherwise provided in this Agreement, Seller shall deliver any documents and make the disclosures required by this Agreement, including as required under Sections 3(a) and 5(b) of this Agreement, no later than 5 p.m. local time ten (10) days after the Effective Date.

b. City's Objection Notice and Right to Terminate.

(i) The City shall notify Seller in writing of any unacceptable environmental, physical, survey, title conditions and all other unacceptable matters under Sections 3(c), 4 and 5(c) of this Agreement, above, no later than 5 p.m. local time, sixty (60) days after the Effective Date ("**Due Diligence Period**"); provided, however, the City shall have the right to extend the Due Diligence Period for an additional sixty (60) days ("**Extended Due Diligence Period**") for additional environmental testing by providing written notice thereof to Seller any time prior to expiration of the Due Diligence Period.

(ii) The City may terminate this Agreement for any reason or no reason at all in the City's sole and absolute discretion by delivering written notice to Seller

on or before the expiration of the Due Diligence Period. During the Extended Due Diligence Period, if any, the City may terminate only on the basis of the results of its environmental investigations.

- (iii) If the City deliver a written termination notice on or before the expiration of the Due Diligence Period or the Extended Due Diligence Period, as applicable, then the Title Company shall return the Deposit to the City and this Agreement shall terminate or terminate this Agreement by providing written notice thereof to Seller in which event the Title Company shall return the Deposit to the City and this Agreement shall terminate automatically and be of no further force or effect and neither party shall have any further rights or obligations hereunder (other than pursuant to any provision hereof which expressly survives the termination of this Agreement).

c. Seller's Cure. Seller shall have until no later than 5 p.m. local time five (5) days from the date of City's objection notice to elect to cure all the unacceptable conditions set forth in any objection notice under Sections 3(c), 4, 5(c) and 7(b) of this Agreement.

d. City's Election. The City, by written notice to Seller, may elect to waive any uncured objections and proceed to Closing or to terminate this Agreement within five (5) business days of the deadline to cure established in Section 7(c) of this Agreement, above. In the event the City terminates this Agreement, the Title Company shall return the Deposit to the City and this Agreement shall terminate automatically and be of no further force or effect and neither party shall have any further rights or obligations hereunder (other than pursuant to any provision hereof which expressly survives the termination of this Agreement).

e. Deadlines. In the event any date for a party's performance occurs on a Saturday, Sunday or national holiday, the date for such performance shall occur on the next regular business day following such weekend or national holiday.

8. DATE OF CLOSING: The date of closing will occur thirty (30) days after expiration of the Due Diligence Period or the Extended Due Diligence Period, as applicable, or on a date as otherwise agreed by the Parties in writing signed by the Director of the Division of Real Estate and the Seller ("**Closing Date**").

9. CLOSING. The Closing shall take place at the offices of the Title Company and shall be completed on or before 4:00 p.m. Mountain Standard Time on the Closing Date ("**Closing**"). Seller or Buyer may elect to close in escrow without attending the Closing.

- a. Obligations of Seller at Closing. The following events shall occur at the Closing:
- i. Seller shall execute and deliver a Special Warranty Deed in substantially the form set forth as **Exhibit 2** herein ("**Deed**") to the City at Closing conveying the Property free and clear of all taxes (with proration as provided herein).
 - ii. Seller shall execute and deliver a Lease Agreement in substantially the form set forth as **Exhibit 3** herein ("**Lease Agreement**") to the City at Closing.

- iii. Seller shall execute, have acknowledged and deliver to the City a bill of sale conveying to City all of Seller's right, title and interest in and to any personal property located on the Property.
 - iv. Seller shall execute, have acknowledged and deliver to the City a notice to all tenants or other occupants of the Property under any occupancy agreement regarding the sale of the Property to the City and providing that all future payments of rent or other monies due under the occupancy agreement shall be made to the City.
 - v. Seller shall deliver such other instruments and documents as may be reasonably necessary or required to transfer title to the Property to City, in the condition herein contemplated, including without limitation any affidavit or agreement required by the Title Company.
- b. Obligations of City at Closing: The following events shall occur at Closing:
- i. City shall deliver or cause to be delivered to the Title Company good funds by wire transfer, payable to the order of Seller in the amount of the Purchase Price.
 - ii. Such delivery may be made pursuant to a closing instruction letter.
- c. Closing Costs. Closing costs shall be as provided for in Section 13 below.
- d. No Material Adverse Change. During the period from the date of Seller's execution of this Agreement to the Closing Date, there shall have been no material adverse change in the environmental condition or results of operations of the Property, and the Property shall not have sustained any loss or damage which materially adversely affects its use.

10. **POSSESSION**. Subject to the terms of the Lease Agreement, possession of the Property shall be delivered to the City at Closing.

11. **REPRESENTATIONS AND WARRANTIES**.

- a. Seller warrants and represents that as of the Effective Date and at the time of conveyance:
- i. Except for Seller, there are no other parties in possession and the City shall have possession as of Closing or as otherwise agreed to herein; and
 - ii. There are no leasehold interests in the Property; and
 - iii. To the Seller's actual knowledge, without inquiry or investigation, there is no known condition existing with respect to the Property or its operation, that violates any law, rule regulation, code or ruling of the local jurisdiction, the State of Colorado, the United States, or any agency or court thereof; and
 - iv. To Seller's actual knowledge, without inquiry or investigation, there are no patent or latent defects, soil deficiencies, or subsurface anomalies existing on the Property; and
 - v. There is no pending or threatened litigation, proceeding, or investigation by any governmental authority or any other person affecting the Property,

nor does Seller know of any grounds for any such litigation, proceeding or investigations; and

- vi. Each and every document, schedule, item, and other information delivered or to be delivered by the Seller to the City or made available to the City for inspection under this Agreement is complete and accurate, or will be complete and accurate on the timeframes set forth herein; and
- vii. Seller has provided or will provide, on the timeframes set forth herein, the City with a copy of all leases or rental and all other agreements and documents not shown in the real property records relating to the Property, or to any part thereof under Section 5 of this Agreement (Title); and
- viii. There are no improvements, real or personal, on the Property not owned by the Seller and Seller warrants to the City that it is the lawful seller of all other improvements located in or on the Property and is entitled to the Purchase Price allocable to such items as compensation for the same; and
- ix. There are no claims of possession not shown by record, as to any part of the Property; and
- x. To Seller's actual knowledge, without inquiry or investigations, with respect to environmental matters, except as previously disclosed herein:
 - 1. No part of the Property has ever been used as a landfill by Seller; and
 - 2. Seller has no reason to believe or suspect and has no actual knowledge of the presence of asbestos-contaminated soils existing within the Property; and
 - 3. Seller has no knowledge or information that the Property is or may be contaminated with any hazardous substances or toxic substances; and
 - 4. Seller has not caused and will not cause, and to the best of the Seller's knowledge, there never has occurred, the release of any hazardous substances or toxic substances on the Property; and
 - 5. Seller has received no written or official notification that the Property is subject to any federal, state or local lien, proceedings, claim, liability or action or the threat or likelihood thereof, for the cleanup, removal, or remediation of any hazardous substances or toxic substances from the Property; and
 - 6. Seller has no knowledge or information as to any storage tanks on or beneath the Property.

By selling the Property, Seller does not transfer, nor is it released from, any liability for the cleanup, removal, or remediation of any hazardous or toxic substances from the Property or any liability, cost, or expense for the oversight, management, and removal of any asbestos (including

asbestos-contaminated soils) or underground storage tank from the Property, to the extent such liability may exist under federal, state, or local law.

- b. Each Party hereto represents to the other Party that:
- i. It has the requisite power and authority to execute and deliver this Agreement and the related documents to which such Party is a signatory;
 - ii. The execution and delivery of this Agreement by such Party has been duly authorized by all requisite action(s) and creates valid and binding obligations of such Party, enforceable in accordance with its terms subject to the effect of general principles of equity, including without limitation concepts of materiality, reasonableness, good faith and fair dealing, the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and subject to or limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws relating to or affecting the rights of creditors;
 - iii. To the actual knowledge of (a) the Director of the Division of Real Estate for the City; and (b) Seller: neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will violate any constitution, statute, regulation, rule, injunction, judgment, order, decree or other restriction of any governmental authority or conflict with, result in a breach of, or constitute a default under any contract, lease, license instrument or other arrangement to which such Party is bound;
 - iv. It is authorized to execute this Agreement on behalf of its officers, directors, representatives, employees, subsidiaries, affiliates, members/shareholders, agents, trustees, beneficiaries, attorneys, insurers, successors, predecessors and assigns. Each person who signs this Agreement in a representative capacity represents that he or she is duly authorized to do so;
 - v. It has not sold, assigned, granted or transferred to any other person, natural or corporate, any chose in action, demand or cause of action encompassed by this Agreement; and
 - vi. IT IS FREELY AND VOLUNTARILY ENTERING INTO THIS AGREEMENT UNCOERCED BY ANY OTHER PERSON AND THAT IT HAS READ THIS AGREEMENT AND HAS BEEN AFFORDED THE OPPORTUNITY TO OBTAIN THE ADVICE OF LEGAL COUNSEL OF ITS CHOICE WITH REGARD TO THIS AGREEMENT IN ITS ENTIRETY AND UNDERSTANDS THE SAME.

12. PAYMENT OF ENCUMBRANCES. Seller is responsible for paying all encumbrances at or before Closing from the proceeds of this transaction or from any other source.

13. **CLOSING COSTS, DOCUMENTS AND SERVICES.** The City shall pay for any title insurance policy to be issued on the Property for the benefit of the City and all fees for real estate closing services. The City and Seller shall sign and complete all customary or required documents at or before Closing, including the Deed. Any documents executed before Closing shall be held in escrow until all conditions of Closing are satisfied. The City's Director of Real Estate or his designee, shall sign all such closing documents, including, if necessary, an escrow agreement, on behalf of the City.

14. **PRORATIONS.** Seller shall pay any and all taxes and special assessments accrued and owed on the Property prorated through the date of Closing. Based on the most recent levy and the most recent assessment, at or before Closing, Seller shall pay all utility, water and sewer charges, and other items related to the Property prorated through the date of Closing.

15. **TIME IS OF THE ESSENCE/REMEDIES.** Time is of the essence in this Agreement. All the agreements and representations set forth in this Agreement 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 under this Agreement is not performed or waived as provided in this Agreement, then there shall be the following remedies:

a. **If City Is In Default.** Seller may treat this Agreement as canceled and the Parties shall thereafter be released from all obligations under this Agreement. Seller expressly waives the remedies of specific performance and damages, including delay damages and attorney fees, or both, or any other legal or equitable remedy; provided, however, that in the event the Agreement has not been terminated prior to the expiration of the timeframes set forth in Sections 7 (b) and 7 (d), and the City is in default, Seller may, as its exclusive remedy, terminate this Agreement by written notice to the City and receive the Deposit as liquidated damages, thereby releasing the parties from this Agreement, except for any provision hereof which expressly survives termination. CITY AND SELLER AGREE THAT SELLER'S ACTUAL DAMAGES WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX. THE PARTIES THEREFORE AGREE THAT, IN SUCH EVENT, SELLER, AS SELLER'S SOLE AND EXCLUSIVE REMEDY, IS ENTITLED TO LIQUIDATED DAMAGES IN THE AMOUNT OF THE DEPOSIT (INCLUSIVE OF INTEREST AND DIVIDENDS EARNED THEREON), IN WHICH CASE, (A) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF CITY AND SELLER HEREUNDER SHALL BE OF NO FURTHER FORCE OR EFFECT AND NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER OTHER THAN PURSUANT TO ANY PROVISION HEREOF WHICH EXPRESSLY SURVIVES THE TERMINATION OF THIS AGREEMENT AND (B) TITLE COMPANY SHALL DELIVER THE DEPOSIT (INCLUSIVE OF INTEREST AND DIVIDENDS EARNED THEREON) TO SELLER PURSUANT TO SELLER'S INSTRUCTIONS, AND THE SAME SHALL BE THE FULL, AGREED AND LIQUIDATED DAMAGES. THE PARTIES HEREBY AGREE THAT THE AMOUNT OF THE DEPOSIT IS A FAIR AND REASONABLE ESTIMATE OF THE TOTAL DETRIMENT THAT SELLER WOULD SUFFER IN THE EVENT OF CITY'S FAILURE TO CONSUMMATE THE CLOSING IN BREACH HEREOF. SELLER IRREVOCABLY WAIVES THE RIGHT TO SEEK OR OBTAIN ANY OTHER LEGAL OR EQUITABLE REMEDIES, INCLUDING THE REMEDIES OF DAMAGES AND SPECIFIC PERFORMANCE FOR CITY'S FAILURE TO CONSUMMATE THE CLOSING IN BREACH

HEREOF shall be entitled, as its sole and exclusive remedy for a default by the City, to terminate the Agreement.

b. If Seller Is In Default. The City may elect to (i) treat this Agreement as canceled, in which case any things of value received by a Party under this Agreement shall be returned to the providing party, the Title Company shall return the Deposit to the City, this Agreement shall terminate automatically and the Parties shall thereafter be released from all obligations under this Agreement; or (ii) treat this Agreement as being in full force and effect and seek specific performance and damages, including delay damages and attorney fees, or both, or any other legal or equitable remedy. Nothing herein waives, impairs, limits or modifies the City's power and authority of condemnation.

16. TERMINATION. If this Agreement is terminated, then all things of value received by a Party under this Agreement shall be returned to the providing party, and the Parties shall be relieved of all obligations under this Agreement.

17. COOPERATION OF THE PARTIES. In the event that any third party brings an action against a Party to this Agreement regarding the validity or operation of this Agreement, the other Party will reasonably cooperate in any such litigation. Any Party named in an action shall bear its own legal costs.

18. NO BROKER'S FEES. The City and Seller represent to each other that they have had no negotiations through or brokerage services performed by any broker or intermediary that would require the City to pay any commission or fees. Any arrangements that Seller has with a broker or other intermediary regarding the sale of the Property shall be solely at the cost of Seller.

19. SEVERABILITY. In the event that any provision of this Agreement would be held to be invalid, prohibited, or unenforceable in any applicable jurisdiction for any reason unless narrowed by construction, this Agreement shall, as to such jurisdiction, be construed as if such invalid, prohibited, or unenforceable provision had been more narrowly drawn so as not to be invalid, prohibited, or unenforceable in any jurisdiction for any reason. Such provision, as to such jurisdiction, shall be ineffective to the extent of such invalidity, prohibition, or unenforceability, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

20. NO DISCRIMINATION IN EMPLOYMENT. In connection with the performance duties under the Agreement and to the extent applicable, the Seller 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 subcontracts relating to the Agreement.

21. WHEN RIGHTS AND REMEDIES NOT WAIVED. In no event shall any performance under this Agreement constitute or be construed to be a waiver by either Party of any breach of covenant or condition or of any default that may then exist. The rendering of any such performance when any breach of default exists in no way impairs or prejudices any right of remedy available with respect to the breach of default. Further, no assent, expressed or implied, to any

breach of any one or more covenants, provisions, or conditions of this Agreement may be deemed or taken to be a waiver or any other default or breach.

22. SUBJECT TO LOCAL LAWS; VENUE. This Agreement is subject to and is to be construed in accordance with the laws of the City and County of Denver and the State of Colorado, without regard to the principles of conflicts of law, including, but not limited to, all matters of formation, interpretation, construction, validity, performance, and enforcement. Venue for any action arising out of this Agreement will be exclusively in the District Court of the City and County of Denver, Colorado.

23. NOTICES. All notices provided for in this Agreement must be in writing and be personally delivered, sent via facsimile, electronic mail, or mailed by registered or certified United States mail, postage prepaid, return-receipt requested, if to the Seller at the addresses or facsimile numbers listed below and if to the City at the addresses or facsimile numbers given below. Notices delivered personally or sent electronically or by facsimile are effective when sent. Notices sent by certified or registered mail are effective upon receipt. 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.

If to City:

Lisa Lumley
Division of Real Estate
Department of Finance
201 West Colfax Avenue, Department 1010
Denver, Colorado 80202
e-mail: lisa.lumley@denvergov.org

and

Manager
Department of Public Works
201 West Colfax Avenue, Department 608
Denver, Colorado 80202

With copies of termination and similar notices to:

Mayor
City and County of Denver
1437 Bannock Street, Room 350
Denver, Colorado 80202

and

Denver City Attorney's Office
201 W. Colfax Ave. Dept. 1207
Denver, Colorado 80202

If to Seller:

The Salvation Army
Territorial Headquarters
30840 Hawthorne Blvd.

Rancho Palos Verdes, CA 90275

-and-

The Salvation Army
Intermountain Divisional Headquarters
1370 Pennsylvania Street
Denver, CO 80203

24. **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 of the Division of Real Estate and an authorized representative of Seller.

25. **AGREEMENT AS COMPLETE INTEGRATION; AMENDMENTS.** This Agreement is intended as the complete integration of all understandings between the Parties. No prior or contemporaneous addition, deletion or other amendment to this Agreement will have any force or effect whatsoever, unless embodied in writing in this Agreement. Except as expressly provided for in this Agreement, no subsequent novation, modification, renewal, addition, deletion, or other amendment to this Agreement shall have any force or effect unless embodied in a written amendatory or other agreement executed by both Parties.

26. **THIRD-PARTY BENEFICIARY.** It is the intent of the Parties that no third party beneficiary interest is created in this Agreement except for any assignment pursuant to this Agreement. The Parties are not presently aware of any actions by them or any of their authorized representatives that 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.

27. **APPROPRIATION BY CITY COUNCIL.** All obligations of the City under and pursuant to this Agreement are subject to prior appropriations of monies expressly made by the City Council for the purposes of this Agreement and paid into the Treasury of the City.

28. **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, such Party shall be entitled to consider public and governmental policy, moral and ethical standards, as well as business and economic considerations.

29. **NO PERSONAL LIABILITY.** No elected official, director, officer, agent or employee of the City nor any director, officer, employee or personal representative of Seller 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.

30. **CONFLICT OF INTEREST BY CITY OFFICER.** Seller represents that to the best of Seller's information and belief no officer or employee of the City is either directly or indirectly a party to 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.

31. **MERGER**. The terms of this Agreement survive Closing and do not merge into the Deed conveying the Property.

32. **CONSTRUCTION**. This Agreement may not be interpreted in favor of or against either Seller or the City merely because of their respective efforts in preparing it. The rule of strict construction against the drafter does not apply to this Agreement. This instrument is subject to the following rules of construction:

a. Specific gender references are to be read as the applicable masculine, feminine, or gender neutral pronoun.

b. The words “include,” “includes,” and “including” are to be read as if they were followed by the phrase “without limitation.”

c. The words “Party” and “Parties” refer only to a named party to this Agreement.

d. Unless otherwise specified, any reference to a law, statute, regulation, charter or code provision, or ordinance means that statute, regulation, charter or code provision, or ordinance as amended or supplemented from time to time and any corresponding provisions of successor statutes, regulations, charter or code provisions, or ordinances.

e. The recitals set forth in this Agreement are intended solely to describe the background of this Agreement and form no part of this Agreement. Headings and captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provisions hereof.

33. **ASSIGNMENT**. The City is not obligated or liable under this Agreement to any party other than Seller named in this Agreement. Seller understands and agrees that it may not assign any of its rights, benefits, obligations, or duties under this Agreement without the City’s prior written approval.

34. **CITY EXECUTION OF AGREEMENT**. This Agreement is subject to, and will not become effective or binding on the City until full execution by all signatories of the City.

35. **COUNTERPARTS**. This Agreement may be executed in counterparts, each of which is an original and together constitute the same document. This Agreement may be executed by facsimile or electronically scanned signatures which shall be deemed an original

36. **EFFECTIVE DATE**. The effective date shall be the date the City delivers a fully executed copy of this Agreement to the Seller.

37. **ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS**. Each Party consents to the use of electronic signatures by the other Party. This Agreement, and any other documents requiring a signature hereunder, may be signed electronically by the Parties 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.

38. NO RELIANCE. The Parties expressly assume any and all risks that the facts and law that may be or become different from the facts and law as known to, or believed to be, by the Parties as of the date of this Agreement. In executing this Agreement, no Party has relied upon any information supplied by the other or by their attorneys, or upon any obligation or alleged obligation of the other Party to disclose information relevant to this Agreement other than the information specifically required to be disclosed by this Agreement.

[Remainder of Page Intentionally Left Blank]

Contract Control Number:
Contractor Name:

FINAN-201951595-00
THE SALVATION ARMY

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:

FINAN-201951595-00
THE SALVATION ARMY

By: _____

Name: _____
(please print)

Title: _____
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)

IN WITNESS WHEREOF, the Parties have executed and affixed their seals, if any, at Denver, Colorado as of: _____.

ATTEST:

CITY AND COUNTY OF DENVER

By: _____
Debra Johnson,
Clerk and Recorder, Ex-Officio Clerk
of the City and County of Denver

By: _____
Michael B. Hancock, MAYOR

APPROVED AS TO FORM:
Attorney for the City and County of Denver

REGISTERED AND COUNTERSIGNED:

By: _____
Assistant City Attorney

By: _____
Brendan J. Hanlon, Manager of Finance

By: _____
Timothy O'Brien, Auditor

"CITY"

By: Douglas Riley TOM MELOTT
Its: VICE PRESIDENT ASSISTANT TREASURER

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

The foregoing instrument was acknowledged before me on _____, 2019
by _____ its _____
of _____, a _____.

Witness my hand and official seal.
My commission expires: _____

PLEASE ATTACHED

Notary Public

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

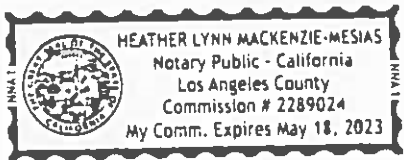
State of California

County of Los Angeles

On August 2, 19 before me, HEATHER LYNN MACKENZIE-MESIAS, PUBLIC

personally appeared DOUGLAS RILEY 3 TOM MELOTT

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Heather Lynn Mackenzie-Mesias

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: PURCHASE 3 SALE AGREEMENT

Document Date: N/A Number of Pages: THIRTY-ONE

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

- Signer's Name:
Corporate Officer - Title(s)
Partner - Limited General
Individual Attorney in Fact
Trustee Guardian or Conservator
Other:
Signer is Representing:

EXHIBIT 1

(Legal Description of Property)

A PARCEL OF LAND SITUATE IN THE NORTH 1/2 OF SECTION 27, TOWNSHIP 3 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, STATE OF COLORADO, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE POINT OF INTERSECTION OF THE CENTER LINE OF 29TH STREET WITH THE NORTHWESTERLY LINE OF BRIGHTON BOULEVARD;

THENCE NORTHWESTERLY ALONG THE CENTER LINE OF 29TH STREET, WHICH IS A STRAIGHT LINE FORMING AN ANGLE OF 91 DEGREES 17 MINUTES FROM THE NORTHEAST TO NORTHWEST WITH THE NORTHWESTERLY LINE OF BRIGHTON BOULEVARD, A DISTANCE OF 320.44 FEET;

THENCE NORTHEASTERLY ALONG A STRAIGHT LINE AT RIGHT ANGLES TO SAID CENTER LINE OF 29TH STREET A DISTANCE OF 186.32 FEET TO THE MOST SOUTHERLY CORNER OF THAT CERTAIN TRACT OF LAND WHICH WAS HERETOFORE CONVEYED BY UNION PACIFIC RAILROAD COLORADO TO ACE BOX CO. BY WARRANTY DEED DATED OCTOBER 22, 1963, WHICH IS THE TRUE POINT OF BEGINNING OF THE PARCEL HEREBY BEING DESCRIBED;

THENCE NORTHWESTERLY, AT RIGHT ANGLES, ALONG THE SOUTHWESTERLY BOUNDARY LINE OF SAID PARCEL HERETOFORE CONVEYED TO ACE BOX CO. PARALLEL WITH AND 186.32 FEET DISTANT NORTHEASTERLY, MEASURED AT RIGHT ANGLES, FROM SAID CENTER LINE OF 29TH STREET, A DISTANCE OF 288.16 FEET, MORE OR LESS TO A POINT IN THE SOUTHEASTERLY LINE OF ARKINS COURT;

THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE OF ARKINS COURT A DISTANCE OF 164.22 FEET, MORE OR LESS, TO A POINT IN A STRAIGHT LINE FORMING AN ANGLE FROM SOUTHWEST TO NORTHWEST OF 88 DEGREES 43 MINUTES WITH SAID NORTHWESTERLY LINE OF BRIGHTON BOULEVARD AT A POINT THEREON THAT IS 449.37 FEET DISTANT NORTHEASTERLY FROM THE NORTH AND SOUTH CENTER LINE OF SAID SECTION 27, MEASURED ALONG SAID NORTHWESTERLY LINE OF BRIGHTON BOULEVARD AND SAID NORTHWESTERLY LINE PRODUCED SOUTHWESTERLY;

THENCE SOUTHEASTERLY ALONG SAID STRAIGHT LINE FORMING AN ANGLE FROM SOUTHWEST TO NORTHWEST OF 88 DEGREES 43 MINUTES WITH SAID NORTHWESTERLY LINE OF BRIGHTON BOULEVARD A DISTANCE OF 362.71 FEET, MORE OR LESS, TO A POINT IN A STRAIGHT LINE DRAWN AT RIGHT ANGLES TO SAID CENTER LINE OF 29TH STREET FROM A POINT THEREON THAT IS 320.44 FEET DISTANT NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF BRIGHTON BOULEVARD, MEASURED ALONG SAID CENTER LINE;

THENCE NORTHEASTERLY ALONG SAID STRAIGHT LINE DRAWN AT RIGHT ANGLES TO SAID CENTER LINE OF 29TH STREET A DISTANCE OF 146.32 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

EXHIBIT 2
(Form of Special Warranty Deed)

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

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED ("Deed"), made as of this _____ day of _____, 2019, by _____ whose address is _____ ("Grantor") to the CITY AND COUNTY OF DENVER, a Colorado municipal corporation of the State of Colorado and home rule city, whose address is 1437 Bannock Street, Denver, Colorado 80202 ("Grantee").

WITNESSETH, that the Grantor, for and in consideration of the sum of _____ Dollars (\$) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and by these presents does hereby grant, bargain, sell, convey and confirm, unto the Grantee, and its successors and assigns forever, the real property described below, together with all improvements thereon, owned by the Grantor situate, lying and being in the City and County of Denver, State of Colorado, and being more particularly described on Exhibit A attached hereto and incorporated herein ("Property");

TOGETHER WITH all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all of the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in, and to the above-bargained Property, together with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the Property above bargained and described with the appurtenances, unto the Grantee, and its successors and assigns forever. The Grantor, for itself and its successors and assigns does covenant and agree that it shall and will WARRANT AND FOREVER DEFEND the above-bargained Property in the quiet and peaceable possession of the Grantee, and its successors and assigns, against all and every person or persons claiming the whole or any part thereof, by, through, or under the Grantor.

No separate bill of sale with respect to improvements on the Property will be executed.

IN WITNESS WHEREOF, the Grantor has executed this Deed on the date set forth above.

ATTEST:

By: _____ a Colorado _____,

EXHIBIT 3
(Form of Lease Agreement)

LEASE AGREEMENT

THIS LEASE AGREEMENT (“Lease”) is made and entered into by and between the **CITY AND COUNTY OF DENVER**, a home rule municipal corporation of the State of Colorado (“City”), and _____, a Colorado _____, whose address is _____, Denver, Colorado 80____ (“Lessee”). The City and Lessee shall each be referred to as a “Party” and collectively as the “Parties.”

WITNESSETH:

WHEREAS, the City and _____ (“Owner”) entered into that certain Purchase and Sale Agreement dated _____ (“PSA”) for the City to purchase and Owner to sell the building and related property in which a certain premises exists as a separately demised unit (“Leased Premises”),

WHEREAS, the City and Lessee are parties to that certain Agreement dated January 20, 2017 between the City and Seller, as amended, having Contract No. SOCSV-201631673-03, pursuant to which the Lessee is to provide certain emergency shelter facilities and services for the homeless at the Leased Premises (“Service Contract”) and

WHEREAS, at the time of Closing of the transaction, as defined in the PSA, Lessee is desirous of leasing the Leased Premises from the City.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter contained, the City and the Lessee agree as follows:

1. **CONTINGENCIES**: This Lease shall be contingent upon the City purchasing the Leased Premises from Owner.

2. **LEASED PREMISES**: Subject to the terms of this Lease, the City agrees to lease, demise, and let unto Lessee and the Lessee does hereby lease from the City those certain premises defined as the "Leased Premises" located at 1901 29th Street, Denver, Colorado 80216, as more particularly depicted on **Exhibit A**, attached hereto and incorporated herein, containing building space of approximately 47,617 square feet. The depiction contained on **Exhibit A** may be modified upon the written authorization of the City’s Director of Real Estate (the “Director”) to correct minor, technical errors.

3. **TERM**: The term of this Lease shall begin on the date that the City closes on the purchase and sale of Leased Premises from Owner pursuant to the PSA (the “Delivery Date”) and it shall terminate three (3) years thereafter (the “Term”) unless earlier terminated pursuant to the terms herein; provided, however, in the event the Service Contract expires or is terminated before the Term hereunder, then this Lease shall also terminate thirty (30) days after such date the Service Contract expires or terminates, it being the intent of the Parties that this Lease and the Service Contract shall be coterminous.

4. **RENT**: Rent shall be paid by Lessee monthly to the City on the first business day of each year, or to another party as otherwise specified by the City to receive Rent on its behalf. Should the City specify another party to receive Rent, Lessee will be given written notice of such change no less than seven (7) days prior to the next succeeding Rent due date so that Lessee is allowed time sufficient to deliver Rents on or before the due date. Rent payable monthly by Lessee during the Term shall be:

Rent \$1.00

If this Lease expires on a date that is not the last day of the month then the rent shall be pro-rated accordingly.

In addition to the foregoing, at such time that the City Assessor assesses a Possessory Interest or other related tax to the Leased Premises, Lessee shall pay before delinquency any and all taxes, assessments, and other charges levied, assessed or imposed, and which become payable during the Term, upon Lessee's operations, occupancy, or conduct of business at the Leased Premises, resulting from Lessee's occupation or subletting of the Leased Premises, or upon Lessee's equipment, furniture, appliances, trade fixtures, and other personal property of any kind installed or located on the Leased Premises. Such taxes include any Possessory Interest taxes resulting from this Lease or a sublease of the Leased Premises.

5. **USE**: The Leased Premises are to be used and occupied by Lessee solely as emergency shelter facilities and services for the homeless as provided for in the Service Contract, and for no other purpose, unless the Director agrees in writing to another use, which consent may be withheld in the Director’s sole discretion. The Lessee shall use the Leased Premises in a careful, safe, and proper manner, and shall not use or permit the Leased Premises to be used for any purpose prohibited by the laws of the United States of America, the State of Colorado, or the Charter, ordinances or Executive Orders of the City and County of Denver. The Lessee shall not commit or suffer to be committed any waste or damage upon the Leased

Premises or any nuisance to be created or maintained thereon. The Lessee shall also keep the Leased Premises free and clear from all trash, debris, and waste resulting from its use or the use by its employees, officers, agents, invitees and visitors. The Lessee shall comply with all applicable State and Federal environmental regulations.

6. **“AS IS” CONDITION**: Lessee acknowledges that it has occupied the Leased Premises as the owner of the building in which the Leased Premises exists. Therefore, Lessee has operated and is familiar with the Leased Premises and its current condition. The Leased Premises are accepted by Lessee in an “AS IS, WHERE IS” condition, with all faults and defects. No additional work will be performed by the City and Lessee hereby accepts the Leased Premises in its as-is condition. The City does not make and disclaims any warranty or representation whatsoever, express or implied, and shall have no obligation or liability whatsoever, express or implied, as to the condition of or any other matter or circumstance affecting the Leased Premises.

7. **QUIET ENJOYMENT**: Lessee shall and may peacefully have, hold and enjoy the Leased Premises, subject to the other terms hereof, provided that Lessee pays the rental herein recited and performs all of Lessee's covenants and agreements herein contained.

8. **ENTRY BY CITY**: Lessee shall permit representatives of the City to enter into and upon the Leased Premises at any reasonable time with prior notice from the City to inspect the same, except in the case of emergencies, in which case the City will attempt to contact Lessee and if the City is unable to contact Lessee and the emergency is imminent, in the City's sole discretion, the City may enter into and upon the Leased Premises without notice, and Lessee shall not be entitled to any abatement or reduction of Rent by reason thereof. City shall not cause unreasonable interference in the normal course of Lessee's business and Lessee or an authorized employee or agent shall have the right to accompany the City during its inspections.

9. **CARE AND SURRENDER OF THE LEASED PREMISES**: At the termination of this Lease, including any exercised option terms, Lessee shall surrender the Leased Premises to the City and deliver the Leased Premises to the City for demolition by the City's contractor for the Project, in substantially the same condition as existed on the date hereof, reasonable wear and tear excepted.

10. **UTILITIES AND MAINTENANCE EXPENSE**: The City shall pay for all water, sewer, gas and electricity, or other utilities or services or fees charged on utilities or other consumables allocable to the Leased Premises. Lessee shall perform and pay for all interior cleaning and maintenance. The City shall perform snow removal, structural or mechanical

maintenance or replacement, including the building's mechanical, plumbing and roof systems and the HVAC system. The Lessee shall be responsible for arranging for, and paying all deposits, fees and charges associated with, (i) telephone and other communication services to the Leased Premises, (iii) janitorial services, and (iv) security services and any other service provider for the Leased Premises. The City will not be liable for any reason for any loss or damage resulting from an interruption of any of these services.

11. **PAYMENT OF CITY MINIMUM WAGE**: Lessee shall comply with, and agrees to be bound by, all requirements, conditions, and City determinations regarding the City's Minimum Wage Ordinance, Sections 20-82 through 20-84 D.R.M.C., including, but not limited to, the requirement that every covered worker shall be paid no less than the City Minimum Wage in accordance with the foregoing D.R.M.C. Sections. By executing this Agreement, Lessee expressly acknowledges that Lessee is aware of the requirements of the City's Minimum Wage Ordinance and that any failure by Lessee, or any other individual or entity acting subject to this Agreement, to strictly comply with the foregoing D.R.M.C. Sections shall result in the penalties and other remedies authorized therein.

12. **INDEMNITY**: Lessee shall defend, indemnify, and save harmless the City, its officers, agents and employees from any and all losses, damages, claims, demands, suits, actions or proceedings of any kind or nature whatsoever, including without limitation Workers' Compensation claims, of or by anyone whomsoever, that the City may sustain or on account of injuries to the person or property of the City, its agents or employees or to injuries or death of any other person rightfully on the Leased Premises for any purpose whatsoever, where the injuries are caused by the negligence or misconduct of the Lessee, the Lessee's agents, employees, subtenants, assignees, or of any other person entering upon the Leased Premises under express or implied invitation of the Lessee or where such injuries are the result of the violation of the provisions of this Lease by any of such persons. This indemnity shall survive the expiration or earlier termination of this Lease. Lessee need not, however, indemnify or save harmless the City, its officers, agents and employees from damages resulting from the sole negligence of the City's officers, agents and employees. This indemnity clause shall also cover the City's defense costs, in the event that the City, in its sole discretion, elects to provide its own defense. Insurance coverage specified herein constitutes the minimum requirements, and said requirements shall in no way lessen or limit the liability of the Lessee under this Lease. Subject to compliance with the provisions of Section 17 below, the Lessee shall procure and maintain, at its own expense and cost,

any additional kinds and amounts of insurance that it may deem necessary.

13. **LOSS OR DAMAGE**: The City shall not be liable or responsible to Lessee for any loss or damage to any property or person occasioned by theft or fire, natural disasters, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of any governmental entity other than the City. Likewise, Lessee shall not be liable or responsible to City for any loss or damage to the Leased Premises occasioned by theft, vandalism, fire, natural disasters, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of any governmental entity. In the event of a fire or other casualty in or to the Leased Premises, Lessee shall immediately give notice thereof to City. In case of partial destruction of the Leased Premises by fire, or other casualty, the City at its discretion may repair the Leased Premises with reasonable dispatch after notice of said partial destruction. If the Leased Premises are made untenable by fire, the elements, or other casualty, or if the building in which the Premises are located is partially destroyed to the point where City, within a reasonable time, decides not to rebuild or repair the Leased Premises, then this Lease shall terminate and any Rent shall be prorated and payable only up until the time of the partial or full destruction of the Leased Premises.

14. **HAZARDOUS SUBSTANCES**: Lessee shall not cause or permit any Hazardous Substance to be used, stored, generated, or disposed of on or in the Leased Premises by Lessee, Lessee's agents, employees, contractors, or invitees except as necessary for the existing operations, and in strict compliance with all Hazardous Substance use, storage, disposal and handling rules, laws, policies and regulations in effect at the time of this Lease, as such items may be amended, replaced or superseded. If Hazardous Substances are used, stored, generated, or disposed of on or in the Leased Premises or to the air or water, or if the Leased Premises become contaminated in any manner due to the actions or inactions of the Lessee, Lessee shall indemnify and hold harmless the City from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, a decrease in value of the premises, damages caused by loss or restriction of rentable or usable space, or any damages caused by adverse impact on marketing of the space, and any and all sums paid for settlement of claims, attorneys' fees, consultant, and expert fees) arising during or after the Lease Term and arising as a result of those actions or inactions by Lessee. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision. Without limitation of the foregoing, if Lessee causes or permits the presence of any Hazardous Substance on the Leased Premises and that results in

contamination, Lessee shall promptly, at its sole expense, take any and all necessary actions to return the Leased Premises to the condition existing prior to the presence of any such Hazardous Substance on the premises. Lessee shall first obtain City's approval for any such remedial action. As used herein, "Hazardous Substance" means any substance that is toxic, ignitable, reactive, or corrosive and that is regulated by any local government, the State of Colorado, or the United States Government. "Hazardous Substance" includes any and all material or substances that are defined as "hazardous waste", "extremely hazardous waste", or a "hazardous substance" pursuant to state, federal, or local governmental law. "Hazardous Substance" includes but is not restricted to asbestos, polychlorobiphenyls ("PCBs"), and oils.

15. **HOLDING OVER:** If after the expiration of the Term and any extensions of the Term of this Lease, Lessee shall remain in possession of the Leased Premises or any part thereof, and continues to pay Rent, without any express agreement as to such holding, then such holding over shall be deemed and taken to be a periodic tenancy from month-to-month, subject to all the terms and conditions of this Lease, except for the provisions relating to the period of Lessee's occupancy, and at a Rent equivalent to 200% of the then current Rent due hereunder, payable in advance on the first day of each calendar month thereafter. Such holding over may be terminated by City or Lessee upon ten (10) days' notice. In the event that Lessee fails to surrender the Leased Premises upon termination or expiration of this Lease, or such month-to-month tenancy, then Lessee shall indemnify City against loss or liability resulting from any delay of Lessee in not surrendering the Leased Premises.

16. **REMEDIES UPON BREACH:** In the event of a breach of this Lease by Lessee, the City may have any one or more of the following described remedies, in addition to all of the rights and remedies provided at law or in equity:

(a) The City may terminate this Lease and forthwith repossess the Leased Premises and be entitled to recover as damages a sum of money equal to the total of (i) the cost of recovering the Leased Premises, including reasonable attorneys' fees; (ii) the unpaid Rent earned at the time of termination, plus interest thereon at the rate of twelve percent (12%) per annum from the due date; (iii) the balance of the Rent for the remainder of the Term less any rents the City receives for the Leased Premises for said period; (iv) damages for the wrongful withholding of the Leased Premises by Lessee; (v) unpaid taxes or assessments; and (vi) any other sum of money in damages owed by Lessee to City as a result of its use and occupancy of the Leased Premises.

(b) Before exercising any remedy or right herein or in law or equity, the City shall

supply written notice of such default to the Lessee and provide fifteen (15) days from the date of such notice to cure the noted default.

17. **NO DISCRIMINATION IN EMPLOYMENT:** In connection with the performance of work under this Lease, the Lessee agrees not to unlawfully 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, marital status, or physical or mental disability; and further agrees to insert the foregoing provision in all subcontracts hereunder.

18. **LESSEE'S INSURANCE:**

(1) **General Conditions:** Lessee agrees to secure, at or before the time of execution of this Lease, the following insurance covering all operations, goods or services provided pursuant to this Lease. Lessee shall keep the required insurance coverage in force at all times during the Term of the Lease, or any extension thereof, during any warranty period, and for three (3) years after termination of the Lease. 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 contain a valid provision or endorsement requiring 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 Lease. Such notice shall reference the City contract number listed on the signature page of this Lease. 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, Lessee 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. If any policy is in excess of a deductible or self-insured retention, the City must be notified by the Lessee. Lessee shall be responsible for the payment of any deductible or self-insured retention. The insurance coverages specified in this Lease are the minimum requirements, and these requirements do not lessen or limit the liability of the Lessee. The Lessee 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 Lease.

(2) **Proof of Insurance:** Lessee shall provide a copy of this Lease to its

insurance agent or broker. Lessee may not commence services or work relating to the Lease prior to placement of coverages required under this Lease. Lessee certifies that the certificate of insurance attached as **Exhibit B**, preferably an ACORD certificate, complies with all insurance requirements of this Lease. The City requests that the City's contract number be referenced on the Certificate. 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 Lease shall not act as a waiver of Lessee's breach of this Lease or of any of the City's rights or remedies under this Lease. The City's Risk Management Office may require additional proof of insurance, including but not limited to policies and endorsements.

(3) **Additional Insureds:** For Commercial General Liability, Auto Liability and Pollution/Environmental Liability, Lessee and any sub-lessee's insurer(s) shall name the City and County of Denver, its elected and appointed officials, employees and volunteers as additional insured.

(4) **Waiver of Subrogation:** For all coverages required under this Lease, with the exception of Professional Liability - if required, Lessee's insurer shall waive subrogation rights against the City.

(5) **Subcontractors and Subconsultants:** All subcontractors and subconsultants (including independent Lessees, suppliers or other entities providing goods or services required by this Lease) shall be subject to all of the requirements herein and shall procure and maintain the same coverages required of the Lessee. Lessee shall include all such subcontractors as additional insured under its policies (with the exception of Workers' Compensation) or shall ensure that all such subcontractors and subconsultants maintain the required coverages. Lessee agrees to provide proof of insurance for all such subcontractors and subconsultants upon request by the City.

(6) **Workers' Compensation/Employer's Liability Insurance:** Lessee 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. Lessee expressly represents to the City, as a material representation upon which the City is relying in entering into this Lease, that none of the Lessee's

officers or employees who may be eligible under any statute or law to reject Workers' Compensation Insurance shall effect such rejection during any part of the term of this Lease, and that any such rejections previously effected, have been revoked as of the date Lessee executes this Lease.

(7) Commercial General Liability: Lessee shall maintain a Commercial General Liability insurance policy with limits of \$1,000,000 for each occurrence, \$1,000,000 for each personal and advertising injury claim, \$2,000,000 products and completed operations aggregate, and \$2,000,000 policy aggregate.

(8) Business Automobile Liability: Lessee shall maintain Business Automobile Liability, or its equivalent, with minimum limits of \$1,000,000 combined single limit applicable to all owned, hired and non-owned vehicles used in performing services under this Lease. If transporting wastes, hazardous material, or regulated substances, Lessee shall carry a pollution coverage endorsement and an MCS 90 endorsement on their policy. Transportation coverage under the Lessees Pollution Liability policy shall be an acceptable replacement for a pollution endorsement to the Business Automobile Liability policy.

(9) Additional Provisions:

(a) For Commercial General Liability and Business Automobile Liability, the policy must provide the following:

- (i) That this Lease is an Insured Contract under the policy;
- (ii) Defense costs are outside the limits of liability;
- (iii) A severability of interests or separation of insureds provision (no insured vs. insured exclusion); and
- (iv) A provision that coverage is primary and non-contributory with other coverage or self-insurance maintained by the City.

(b) For claims-made coverage:

- (i) The retroactive date must be on or before the contract date or the first date when any goods or services were provided to the City, whichever is earlier

(c) Lessee shall advise the City in the event any general aggregate or other aggregate limits are reduced below the required per occurrence limits. At their own expense, and where such general aggregate or other aggregate limits have been reduced below the required per occurrence limit, the

Lessee will procure such per occurrence limits and furnish a new certificate of insurance showing such coverage is in force.

19. **VENUE, GOVERNING LAW:** This Lease shall be construed and enforced in accordance with the laws of the State of Colorado, without regard to the choice of law thereof, and the Charter and Revised Municipal Code of the City and County of Denver. Venue for any legal action relating to this Lease shall lie in the State District Court in and for the City and County of Denver, Colorado.

20. **ASSIGNMENT AND RIGHT TO SUBLEASE:** The Lessee shall not assign or transfer its rights under this Lease, or sublet the Leased Premises without first obtaining the written consent of the Director, whose consent may be withheld in the Director's sole and absolute discretion.

21. **NO SALE OR ADVERTISING OF TOBACCO PRODUCTS:** The Lessee, its officers, agents, and employees shall cooperate and comply with the provisions of Executive Order No. 13, which prohibits the sale or advertisement of tobacco products on City owned property and in facilities owned or operated or controlled by the City and County of Denver. "Sale" includes promotional distribution, whether for consideration or not, as well as commercial transactions for consideration. "Advertising" includes the display of commercial and noncommercial promotion of the purchase or use of tobacco products through any medium whatsoever, but does not include any advertising and sponsoring which is a part of a performance or show or any event displayed or held in City facilities.

22. **EXAMINATION OF RECORDS:** The Lessee agrees that any duly authorized representative of the City shall, until the expiration of three (3) years after final payment under this Lease, have access to and the right to examine any directly pertinent books, documents, and records of the Lessee involving matters directly related to this Lease.

23. **AMENDMENT:** No alteration, amendment or modification of this Lease shall be valid unless evidenced by a written instrument executed by the parties hereto with the same formality as this Lease; however, the Director shall have the authority to execute agreements which make technical, minor, or non-substantive changes to this Lease. The failure of either party hereto to insist in any one or more instances upon the strict compliance or performance of any of the covenants, agreements, terms, provisions or conditions of this Lease, shall not be construed as a waiver or relinquishment for the future of such covenant, agreement, term, provision or condition, but the same shall remain in full force and effect.

24. **SEVERABILITY**: If any portion of this Lease is determined by a court to be unenforceable for any reason, the remainder of the Lease remains in full force and effect.

25. **BINDING EFFECT**: This Lease when executed and when effective, shall inure to the benefit of and be binding upon the successors in interest or the legal representative of the respective parties hereto.

26. **THIRD PARTIES**: This Lease does not, and shall not be deemed or construed to, confer upon or grant to any third party or parties any right to claim damages or to bring any suit, action or other proceeding against the parties hereto because of any breach hereof or because of any of the terms, covenants, agreements and conditions herein.

27. **NOTICES**: All notices hereunder shall be given to the following by hand delivery or by certified mail, return receipt requested:

To the City: Director of Real Estate
201 W. Colfax Ave., Dept. 1010
Denver, CO 80204

With copies to: Denver City Attorney's Office
201 W. Colfax, Department 1207
Denver, Colorado 80202

To Lessee: The Salvation Army
Territorial Headquarters
30840 Hawthorne Blvd.
Rancho Palos Verdes, CA 90275

-and-

The Salvation Army
Intermountain Divisional Headquarters
1370 Pennsylvania Street
Denver, CO 80203

Either party hereto may designate in writing from time to time the address of substitute or supplementary persons to receive such notices. The effective date of service of any such notice shall be the date such notice is deposited in the mail or hand-delivered to the Party.

28. **ENTIRE AGREEMENT**: The parties acknowledge and agree that the provisions contained herein and Exhibits hereto constitute the entire agreement and that all representations made by any officer, agent or employee of the respective parties unless included herein are null and void and of no effect.

29. **WHEN RIGHTS AND REMEDIES NOT WAIVED:** In no event shall any performance hereunder constitute or be construed to be a waiver by any party of or any breach of covenant or condition or of any default which may then exist. The rendering of any such performance when any 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, expressed or implied, to any breach of any one or more covenants, provisions, or conditions of the Lease shall be deemed or taken to be a waiver of any other default or breach.

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

31. **CONFLICT OF INTEREST BY CITY OFFICER:** Lessee 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 Lease, except as such interest may arise as a result of the lawful discharge of the responsibilities of such elected official or employee.

32. **APPROPRIATION:** All obligations of the City under and pursuant to this Lease are subject to prior appropriation of monies expressly made by the City Council for the purposes of this Lease and paid into the Treasury of the City.

33. **AUTHORITY TO EXECUTE:** Lessee represents that the persons who have affixed their signatures hereto have all necessary and sufficient authority to bind Lessee.

34. **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 Lease or to define, limit or describe the scope or intent of this Lease or the particular paragraphs to which they refer.

35. **ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS:** Lessee consents to the use of electronic signatures by the City. The Lease, 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 Lease 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 Lease 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.