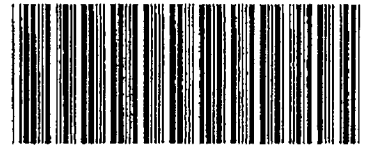


OFFICIAL RECORDS
DOUGLAS COUNTY CO
CAROLE R. MURRAY
CLERK & RECORDER
RECORDING FEE: \$0.00
17 PGS

2006005616
01/19/2006 11:06 AM

RESOLUTION NO. R- 006-020



2006005616 17 PGS

**THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS, COLORADO**

**A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT
REGARDING THE AMENDED AND RESTATED COMMUNITY BLOCK
GRANT PROGRAM FOR FISCAL YEAR 2006 ADMINISTERED BY THE U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, BETWEEN THE
BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS
AND THE TOWN OF CASTLE ROCK**

WHEREAS, in 1974, the U.S. Congress enacted the Housing and Community Development Act of 1974 ("Act") permitting and providing for the participation of the federal government in a wide range of local housing and community development activities and programs, which activities and programs are administered by the U.S. Department of Housing and Urban Development ("HUD"); and

WHEREAS, the primary objective of Title I of the Act is the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, mainly for persons of low and moderate income, this objective to be accomplished by providing financial assistance in the form of block grant funds to state and local governments for the conduct and administration of housing and community development activities and programs, such as the Community Development Block Grant ("CDBG") Program; and

WHEREAS, with "Urban County" status, Douglas County (the "County") is eligible to receive CDBG funds and the Town of Castle Rock (the "Town") may join the Urban County by cooperation agreement and thereby be considered a part of the Urban County and be included in the Urban County's CDBG Program; and

WHEREAS, it is recognized that the County does not have independent legal authority to conduct some kinds of community development and housing assistance activities within the boundaries of the Town and, therefore, its ability to conduct the CDBG Program in the Town is limited by the requirement that it must obtain permission from the Town to perform certain kinds of activities therein through a cooperation agreement wherein the Town authorizes and agrees to cooperate with the County to undertake or to assist in the undertaking of essential community development and housing assistance activities; and

WHEREAS, under general provisions of Colorado law governing contracting between governmental entities and by virtue of specific authority granted by C.R.S. § 29-1-203, any two or more political subdivisions of the state may enter into agreements with one another for joint or cooperative action that any one or more political subdivisions entering into the contract is authorized by law to perform; now, therefore,

BE IT RESOLVED, BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS, STATE OF COLORADO, that the Intergovernmental Agreement between the Town of Castle Rock and the County regarding the CDBG Program, a copy of which is attached hereto as Exhibit A and incorporated herein, is hereby approved and the Chair of the Board is authorized to execute the Agreement on behalf of Douglas County.

PASSED AND ADOPTED this 17th day of January, 2006, in Castle Rock, Douglas County, Colorado.

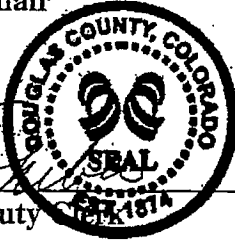
**THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS, COLORADO**

BY:

Melanie A. Worley
Melanie A. Worley, Chair

ATTEST:

Mary A. Niblack
Mary A. Niblack, Deputy Clerk



RESOLUTION NO. 2006- 06

**A RESOLUTION APPROVING THE AMENDED AND RESTATED
INTERGOVERNMENTAL AGREEMENT REGARDING THE COMMUNITY
BLOCK GRANT PROGRAM FOR FISCAL YEARS 2006 ADMINISTERED BY
THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

WHEREAS, in 1974, the U.S. Congress enacted the Housing and Community Development Act of 1974 (the "Act"), permitting and providing for the participation of the federal government in a wide range of local housing and community development activities and programs, which activities and programs are administrated by the U.S. Department of Housing and Urban Development; and

WHEREAS, the primary objective of Title I of the Act is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, mainly for persons of low and moderate income, this objective to be accomplished by providing financial assistance in the form of block grant funds to state and local governments for the conduct and administration of housing and community development activities and programs as contemplated under the Act; and

WHEREAS, the rule and regulations governing the Community Block Grant (CDBG) Program issued by HUD to implement the Act and published in 24 C.F.R. part 570 (Regulations") provide that a county must qualify as an "Urban County", as defined therein, and submit a request for funding now known as the Annual Action Plan or a five year Consolidated Plan with an Annual Action Plan component; when required, on the projected use of the funds to HUD each year in order to be eligible to receive CDBG funds and that cities and units of local government within an Urban County may join an Urban County by cooperation agreement and thereby be considered a part of the Urban County and be included in the Urban County's CDBG Program; and

WHEREAS, Douglas County (County) has qualified as an Urban County; and

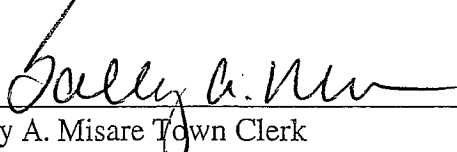
WHEREAS, the rules and regulations to qualify or requalify as an Urban County are published annually and the notice for federal fiscal years 2004-2006 are published in HUD CPD Notice 03-04, Instructions for Urban County Qualification for Participation in the Community Development Block Grant Program for Fiscal Years 2004-2006; and

WHEREAS, a determination has been made by HUD that Douglas County is authorized to undertake essential community development activities in its unincorporated areas that are necessary to qualify as an Urban County to receive funds from HUD by annual grant agreement. This determination is based on the authority granted to the County pursuant to C.R.S. Sections 29-3-101 to 123; sections 30-11-101 and 107; sections 30-20-301 to 310; and sections 30-20-401 to 422; and

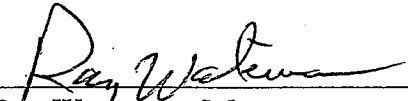
WHEREAS, a determination has been made by HUD that the County, through the Douglas County Multijursdictional Housing Authority, is authorized to undertake

PASSED, APPROVED AND ADOPTED this 10th day of January, 2006, by the Town Council of the Town of Castle Rock, Colorado, on first and final reading by a vote of 7 for and 0 against.

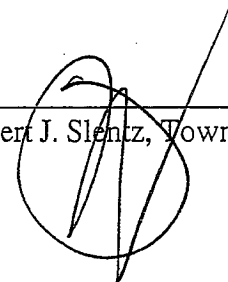
ATTEST:


Sally A. Misare Town Clerk


TOWN OF CASTLE ROCK


Ray Waterman, Mayor

Approved as to form:


Robert J. Slentz, Town Attorney

Approved as to content:


Art Corsie, Development Services
Director

**AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT
REGARDING THE COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM FOR FISCAL YEAR OF 2006 ADMINISTERED BY THE U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

THIS AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT ("Agreement") is made and executed this 17th day of January, 2006, by and between the Board of County Commissioners of the County of Douglas, State of Colorado ("County"), and the Town of Castle Rock ("Town"), located in Douglas County, State of Colorado.

RECITALS

WHEREAS, the County and the Town entered into an Intergovernmental Agreement Regarding the Community Development Block Grant Program For Fiscal Year of 2006 Administered by the U.S. Department of Housing and Urban Development ("Intergovernmental Agreement") on the 19th day of July, 2005; and

WHEREAS, the parties hereto desire to amend and restate the Intergovernmental Agreement in order to set forth more fully the rights, obligations, and duties and responsibilities of the parties hereto; and

WHEREAS, in 1974 the U.S. Congress enacted the Housing and Community Development Act of 1974 ("Act") (as last amended and supplemented), permitting and providing for the participation of the federal government in a wide range of local housing and community development activities and programs, which activities and programs are administered by the U.S. Department of Housing and Urban Development ("HUD"); and

WHEREAS, the primary objective of Title I of the Act is the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, mainly for persons of low and moderate income, this objective to be accomplished by providing financial assistance in the form of block grant funds to state and local governments for the conduct and administration of housing and community development activities and programs as contemplated under the Act (the Community Development Block Grant ("CDBG") Program); and

WHEREAS, the rules and regulations governing the CDBG Program issued by HUD to implement the Act and published in 24 C.F.R. Part 570 ("Regulations") provide that a county must qualify as an "Urban County", as defined therein, and submit a request for funding now known as the Annual Action Plan or a five (5) year Consolidated Plan with an Annual Action Plan component, when required, on the projected use of the funds to HUD each year in order to be eligible to receive CDBG funds and that cities and units of local government within an Urban County may join an Urban County by cooperation agreement and thereby be considered a part of the Urban County and be included in the Urban County's CDBG Program; and

WHEREAS, the County has qualified as an Urban County; and

WHEREAS, the rules and regulations to qualify or requalify as an Urban County are published annually and the notice for the federal fiscal years 2004-2006 are published in HUD CPD Notice 03-04, Instructions for Urban County Qualification for Participation in the Community Development Block Grant Program for Fiscal Years 2004-2006; and

WHEREAS, a determination has been made by HUD that the County is authorized to undertake essential community development activities in its unincorporated areas that are necessary to qualify as an Urban County to receive funds from HUD by annual grant agreement. This determination is based on the authority granted to the County pursuant to C.R.S. §§ 29-3-101 to 123; §§ 30-11-101 and 107; §§ 30-20-301 to 310; and §§ 30-20-401 to 422; and

WHEREAS, a determination has been made by HUD that the County, through the Douglas County Multijurisdictional Housing Authority, is authorized to undertake essential housing activities in its unincorporated areas that are necessary to qualify as an Urban County to receive funds from HUD by annual grant agreement. This determination is based on the authority granted the County pursuant to C.R.S. § 29-1-204.5; and

WHEREAS, it is recognized that the County does not have independent legal authority to conduct some kinds of community development and housing assistance activities within the boundaries of the Town and, therefore, its ability to conduct the CDBG Program in the Town is limited by the requirement that it must obtain permission from the Town to perform certain kinds of activities therein, and accordingly, in order for the Town to be considered a part of the Urban County and be included in the County's annual requests to HUD for CDBG funds, it is required by the Regulations that the Town and the County enter into a cooperation agreement wherein the Town authorizes and agrees to cooperate with the County to undertake or to assist in the undertaking of essential community development and housing assistance activities, specifically including urban renewal and publicly assisted housing, within the boundaries of the Town as may be approved and authorized in the County's annual grant agreements with HUD; and

WHEREAS, the participating Town understands that by executing this Agreement it may not apply for grants under the Small Cities or State CDBG Programs for appropriations for federal fiscal years during the period it is participating in the Urban County's CDBG Program; and

WHEREAS, under general provisions of Colorado law governing contracting between governmental entities and by virtue of specific authority granted by C.R.S. § 29-1-203, any two or more political subdivisions of the state may enter into agreements with one another for joint or cooperative action and any one or more political subdivisions entering into the contract is authorized by law to perform; and

WHEREAS, accordingly, the parties hereto have determined that it will be mutually beneficial and in the general public interest to enter into this Agreement regarding the conduct of the CDBG Program.

NOW, THEREFORE, in consideration of the premises and other provisions hereof, the parties agree as follows:

I. RESPONSIBILITIES OF THE TOWN

A. Town and County Cooperation

The Town will cooperate and work with the County in the preparation of detailed projects and other activities to be conducted or performed within the Town during the federal program years this Agreement is in effect. The Town will also cooperate with the County to undertake, or assist in undertaking, community renewal and lower income housing assistance activities, specifically urban renewal and publicly assisted housing. The finalized projects and activities will be included in the County's Annual Action Plan or five (5) year Consolidated Plan with an Annual Action Plan component, when required, for said year. The Town understands and agrees, however, that the County shall have final responsibility for the selection of all projects and activities to be included in the grant request and for submission of the request. The Town shall cooperate fully with the County in all CDBG Program efforts planned and performed hereunder and does hereby allow and permit the County to undertake or assist in undertaking essential community development and housing assistance activities, specifically including urban renewal and publicly assisted housing, within the Town as may be approved and authorized in: (1) the County's CDBG agreements, including the Annual Action Plan or five (5) year Consolidated Plan with an Annual Action Plan component, when required; and (2) SubGrantee Agreements.

B. SubGrantee Agreements

The Town understands and agrees that pursuant to 24 C.F.R. § 570.501(b), it is subject to the same requirements applicable to subrecipients, including the requirement for a written agreement ("SubGrantee Agreement") as set forth in 24 C.F.R. § 570.503. This Agreement shall govern the SubGrantee Agreement and each of the individual projects approved during the time this Agreement is in effect.

Upon the execution of this Agreement, the residents of the Town shall be allowed to avail themselves of CDBG funded programs in the County.

In order for the Town to receive and continue receiving CDBG Funds, the following must occur:

1. The Town must execute this Agreement.

2. The Town must apply to the County for CDBG Funds for each specific project or activity.
3. The Town must sign a SubGrantee Agreement with the County for the specific project or activity. The SubGrantee Agreement is governed by 24 C.F.R. § 503. As part of the SubGrantee Agreement, the Town must submit to the County, and the County must approve, the project name, the project purpose, a scope of service, project description, proposed Scope of Work for the specific project or activity, performance measures, staffing, a description of system delivery, project budget, time of performance, reporting requirements, labor standards requirements (if applicable), environmental review requirements, and other financial information. This Agreement shall govern program income, reversion of assets, records, and asset management.
4. The Town must complete and submit the forms and reports that are exhibits to the SubGrantee Agreement in a complete and timely manner.
5. The Town must be in full compliance with the terms and conditions of all SubGrantee Agreements it has signed and with all Intergovernmental Agreements Regarding the Community Development Block Grant Program Administered by the U.S. Department of Housing and Urban Development it has signed.

C. Assurances and Certifications

The Town agrees to comply with HUD Assurances and Certifications contained in the document attached hereto labeled as Exhibit 1 and incorporated herein by reference.

D. Administrative Control

As to any proposed projects funded under this Agreement, the Town agrees that the County shall have the ultimate supervisory and administrative control of the CDBG Program, but that the Town shall be responsible for the expenditures of the funds allocated for each project or activity and for the construction or performance of the projects and activities in compliance with all applicable federal laws and requirements relating to the CDBG Program or the implementation of the Annual Action Plan or five (5) year Consolidated Plan with an Annual Action Plan component, when required, during the period covered by this Agreement.

E. Non-Appropriation Clause

The Town agrees that it will include in every contract it enters, where it relies upon CDBG monies for funding, a non-appropriation clause that will protect itself and the County from any liability or responsibility on any suit which might result from the discontinuance of CDBG funding for any reason.

F. Excessive Force

The Town has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdictions.

G. Expenditure Restrictions

All CDBG funds that are approved by HUD for expenditure under the County's grant agreement, including those that are identified for Town projects and activities, shall be allocated to the specific projects and activities described and listed in the Town's proposal for funding and approved SubGrantee Agreement, and the allocated funds shall be used and expended only for the projects and activities to which the funds are identified. No project, activity, or the amount allocated may be changed without concurrence by the County and acceptance of the revised Annual Action Plan or five (5) year Consolidated Plan with an Annual Action Plan component, when required by HUD, and an approved SubGrantee Agreement that authorizes such project, activity, or amount.

H. Day-To-Day Supervision

The Town will be responsible for the direct, day-to-day supervision and administration of its respective projects or activities and will accomplish this task through the use of its own staff, agents, and employees. The Town will be responsible for any injury to persons or damage to property resulting from negligent acts or error and omissions of its staff, agents, and employees. However, nothing herein shall be construed as a waiver of the rights and privileges of the County and the Town pursuant to the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, *et seq.*

I. Cost Overruns

Since the Town is responsible for the direct supervision and administration of its respective projects or activities, the County shall not be liable or responsible for cost overruns by the Town on any project or activity. The County shall have no duty or obligation to provide any additional funding to the Town if its projects or activities

cannot be completed with the funds allocated by the County to the Town. Any cost overruns shall be the sole responsibility of the Town.

J. Project Changes

No approved project or activity, nor the amount allocated therefore, may be changed without the concurrence of the County and acceptance of the revised Annual Action Plan or five (5) year Consolidated Plan with an Annual Action Plan component by HUD, if required, and acceptance of the revised SubGrantee Agreement. Changes must be requested in writing.

K. Bonds

The Town will include with construction contracts with estimated costs of \$100,000 or more, which requires bid guarantees (5% of the bid), performance (100% of the contract price) and payment bonds (100% of the contract price).

L. Insurance

The Town shall require any contractor it uses on any project, or activity where it relies upon CDBG funds to provide and maintain, until final acceptance by the Town of all work by such contractor, the types of insurance listed hereinafter with insurers with an A- or better rating as determined by Best's Key Rating Guide.

The contractor will be required to procure and maintain, at his/her own expense and without cost to the County, the kinds of minimum amounts of insurance as follows:

1. Workers' Compensation insurance to cover obligations imposed by applicable laws for any employee engaged in the performance of work under this Agreement, and Employers' Liability insurance with the following limits:

| | |
|------------------------|-------------|
| Workers' Compensation: | Statutory |
| Employers' Liability: | \$1,000,000 |

2. Commercial General Liability insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000.00) each occurrence and ONE MILLION DOLLARS (\$1,000,000.00) aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, independent contractors, products, and completed operations. The policy shall include coverage for explosion, collapse, and underground hazards. The policy shall contain a severability of interests provision.

3. Commercial Automobile Liability insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION

DOLLARS (\$1,000,000.00) each occurrence with respect to each of the contractor's owned, hired, and non-owned vehicles assigned to or used in performance of the services. The policy shall contain a severability of interests provision.

4. Professional Liability Insurance coverage in an amount not less than One Million Dollars (\$1,000,000.00), and the contractor shall maintain such coverage for at least two (2) years from the termination of the project.

5. The required Commercial General Liability and Commercial Automobile Liability policies shall be endorsed to include the County and the Town as certificate holders and name the County and the Town, their officers and employees as additional insureds. The County and the Town will be certificate holders in respect to the required Workers' Compensation and Professional Liability insurance policies. The County reserves the right to request and receive a certified copy of any policy and any endorsement thereto.

6. The certificates of insurance will be provided to the County by the contractor's insurance agent or carrier and approved by the County prior to commencing any work as evidence that policies providing the required coverages, conditions, and minimum limits are in full force and effect. The completed certificates of insurance and any notices, within twenty (20) days of cancellation or termination, shall be sent to:

Sheryl D. Monroe
Douglas County
Risk Management
100 Third Street
Castle Rock, Colorado 80104

7. The contractor will not be relieved of any liability, claims, demands, or other obligations assumed by its failure to procure or maintain insurance, or its failure to procure or maintain insurance in sufficient amounts, durations, or types.

M. Records

The Town shall maintain a complete set of books and records documenting its use of the CDBG funds and its supervision and administration of its respective projects and activities in accordance with the Regulations. The Town shall provide full access to these books and records to the County, the Secretary of HUD or his designee, the HUD Office of Inspector General, and the General Accounting Office so that compliance with federal laws and regulations may be confirmed. The Town further agrees to provide to the County, upon request, a copy of any audit records pertaining to the Town's financial operations during the term of this Agreement. Records shall be maintained for five (5) years after closing out the CDBG project.

N. Timelines

The Town shall submit to the County, along with its proposal, a timetable for each project delineating the length of time needed for each phase through the completion of the project. The timetable will be contained in the SubGrantee Agreement and the exhibits thereto. The Town shall comply with the timetable submitted and legally obligate and expend funds accordingly through the end of the project. The Town understands that failure to comply with the timetable may lead to a cancellation of the project and loss of CDBG funding, unless the County determines that there are extenuating circumstances beyond the Town's control and that the project will proceed and will be completed within a reasonable length of time. The timetable's implementation will begin when the County provides written notification to the Town that the proposal(s) has been accepted by HUD. Unobligated or unexpended funds that are lost by the Town will be transferred to the County for distribution to other SubGrantees. The County will review the Town's progress to ensure that the activities are being carried out in a timely manner in accordance with 24 C.F.R. § 570.902.

O. Limitations

The Town agrees that no more than two and one-half percent (2.5%) of the funds the Town actually receives will be used for eligible planning, urban environmental design, and policy-planning-management-capacity building activities, as defined in 24 C.F.R. § 570.205 of the Regulations.

The Town understands that by executing this Agreement, it may not apply for grants under the Small Cities or State CDBG Programs for appropriations for federal fiscal years during the period it is participating in the Urban County's CDBG program. Also, even though the County does not qualify to receive HOME funds, the Town cannot form a HOME consortium with other local governments.

P. Financial Management

1. The Town's financial management system shall comply with the standards specified in OMB Circular No. A-87.

2. The Town shall comply with Attachment F of OMB Circular No. A-110 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

3. The Town agrees that before the County can distribute any CDBG funds, the Town must submit to the County's Office of Community Development documentation in the form required by such Office which states the amount of funding the Town is requesting. Upon approval of the request, the County will distribute the requested funds to the Town or directly to the appropriate contractor.

Q. Program Income

The Town agrees that, pursuant 24 C.F.R. § 570.504, all Program Income received under the CDBG Program will be retained by the Town and will be disbursed for its CDBG project activities before additional CDBG funds are requested from the County. If the Town terminates participation in the County's CDBG Program, Program Income received subsequent to the Town's termination shall be remitted to the County.

R. Asset Management

If the Town terminates participation in the County's CDBG Program, assets acquired through the CDBG Program shall be managed or disposed of in accordance with 24 C.F.R. Part 85.31 (Real Property), Part 85.32 (Equipment), and Part 85.50 (Close Out), and in accordance with the SubGrantee Agreements.

S. State, Town and County Law Compliance

All responsibilities of the Town enumerated herein shall be subject to applicable State statutes, Town ordinances, resolutions, and any applicable County resolutions, rules, and regulations, and any other rules and regulations insofar as such State and local laws apply to projects located within the Town.

T. HOME Program Compliance

The Town understands that it:

1. May not apply for grants from appropriations under the Small Cities or State CDBG Programs for fiscal years during the period in which it participates in the County's CDBG program; and
2. May receive a formula allocation under the HOME Program only through the County. Thus, even if the County does not receive a HOME formula allocation, the Town cannot form a HOME consortium with other local governments. However, this does not preclude the Town from applying for State HOME funds.

II. RESPONSIBILITIES OF THE COUNTY

A. Legal Liability and Responsibility

The parties recognize and understand that the County will be the governmental entity required to execute all grant agreements received from HUD pursuant to the County's requests for CDBG funds and that it will thereby become and will be held by HUD to be legally liable and has full responsibility for the execution of the CDBG Program, for following the Annual Action Plan or five (5) year Consolidated Plan with an Annual Action Plan component, when required, and for meeting the requirements of other applicable laws, overall administration and performance of the CDBG Program, including the projects and activities to be conducted in the Town. Accordingly, the Town

agrees that as to all projects and activities to be conducted within its boundary limits under any CDBG agreements received by the County that includes the Town, the County shall have the necessary administrative control required to meet HUD requirements.

B. Performance and Compliance Monitoring

The County's supervisory and administrative obligations to the Town shall be limited to the performance of the administrative tasks necessary to make CDBG funds available to the Town and to provide a contract monitor whose job it will be to monitor the various projects funded with CDBG monies to ensure that they comply with applicable federal laws and regulations.

III. RESPONSIBILITIES OF THE PARTIES

A. Federal Compliance

The parties shall take all actions to do all things that are appropriate and required of them to comply with the applicable provisions of the grant agreements received from HUD by the County in which the Town is included, the provisions of the Act and all regulations, rules, guidelines, and circulars promulgated by the various federal departments, agencies, administrations, commissions, or the Secretary of HUD relating to the CDBG Program.

More specifically, the Town and the County agree to take all required actions to comply with the provisions of 24 C.F.R. Part 570, Subpart K, the Davis-Bacon Act, the Contract Work Hours and Safety Standards Act, Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act), Section 104 (b) and 109 of the Housing and Community Development Act of 1974, Section 504 of the Rehabilitation Act of 1973, Uniform Federal Accessibility Standards, 24 C.F.R. Part 85 of HUD's Uniform Administrative Requirement for Grants and Cooperative Agreements, Residential Lead-Based Paint Hazard Reduction Act of 1992, as amended, Lead-Based Paint Regulations (24 C.F.R. Part 35, 24 C.F.R. § 570.608, 24 C.F.R. § 982.401) and with OMB Circular No. A-87 (Cost Principles for State and Local Governments) or OMB Circular No. A-122 (Cost Principles for Non-Profit Organizations) or OMB Circular No. A-21 (Cost Principles for Educational Institutions) and OMB Circular No. A-128 (Audits of State and Local Governments) or OMB Circular No. A-133 (Audits of Institutions of Higher Education and Other Non-Profit Institutions). Additionally, in accordance with the Regulations, no employee, official, agent, or consultant of the Town shall exercise any function or responsibility in which a conflict of interest, real or apparent, would arise.

B. Length of Agreement

This Agreement will remain in effect until the CDBG funds and income received with respect to the three-year qualification period (federal fiscal years 2004-2006) are expended and the funded activities completed. The parties may not terminate or withdraw from the Agreement while the Agreement is in effect.

C. Automatic Renewal

This Agreement will automatically be renewed for participation in successive three-year qualification periods, unless the Town provides written notice that it elects not to participate in a new qualification period. By the date specified by HUD's Urban County qualification notice for the next qualification period, the County will notify the Town of its right not to participate in the upcoming period. The date in the Urban County Qualification Notice will give the Town sufficient time for notification if it elects not to participate. Copies of notices electing not to participate will be sent to the HUD field office.

Amendments will be utilized to make changes in this Agreement and would be necessary to incorporate required changes as set forth in the Urban County Qualification Notice applicable for subsequent three-year periods. An amendment would also be required if there were to be any programmatic administrative or operational changes to this Agreement that were not required by HUD. Amendments would be submitted to HUD as provided in the Urban County Qualification Notice. Failure of a Town to sign an amendment will void the automatic renewal of such qualification period.

D. Fair Housing

The parties agree that the County is prohibited from funding activities in or in support of a Town that does not affirmatively further fair housing within its Town or that impedes the County's action to comply with its fair housing certification. The Town acknowledges that noncompliance by the Town may constitute noncompliance by the County which may provide cause for funding sanctions or other remedial actions by HUD.

E. Reporting

The Town will file all reports and other information necessary to comply with the applicable federal laws and regulations as required by the County and HUD. This will include providing to the County information, such as progress reports, final reports, or audit reports, etc., necessary to complete the required HUD reports in a timely fashion. The County shall be responsible for confirming the compliance of the Town's project with applicable federal laws and regulations. The County shall further be responsible for maintaining proper documentation of the County's administrative expenses and for determining that all necessary reports and information are filed with HUD and other applicable federal agencies in a timely fashion.

F. Non-Profit Support

The parties are encouraged to provide financial support utilizing their general funds, CDBG funds, or other funds available to the non-profit organizations that provide

community service activities to the populations in need within the Urban County and the Town.

IV. CONTRACT ALTERATION

The terms of this Agreement may be changed or altered only by the mutual agreement of the County and all of the units of local government in the County that are participating in the CDBG Program, subject to approval by HUD. Any such changes or alterations would become effective thirty (30) days after they are put into writing and agreed to by all of the parties herein above mentioned.

V. OTHER PROVISIONS

A. Entire Agreement. This Agreement constitutes the final and complete expression of the parties' agreements with respect to their respective rights and obligations, except to the extent that this Agreement may later be amended by a written instrument.

B. Severability. If any clause or provision herein contained shall be adjudged to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable clause or provision shall not affect the validity of the Agreement as a whole and all other clauses or provisions shall be given full force and effect.

C. Assignability. No party to this Agreement shall assign or transfer any of its rights or obligations hereunder.

D. Appropriations. Notwithstanding any other term, condition or provision herein, each and every obligation of the parties is subject to the requirement of a prior appropriation of funds therefore by the parties.

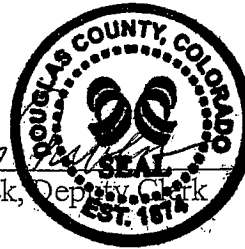
IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the 17th day of January, 2006.

BOARD OF COUNTY COMMISSIONERS
COUNTY OF DOUGLAS, COLORADO

ATTEST:

Walter M. Maxwell
Walter M. Maxwell, Chair

Mary Niblack
Mary Niblack, Deputy Clerk



APPROVED AS TO CONTENT:

APPROVED AS TO FORM:

Douglas J. DeBord
Douglas J. DeBord
County Administrator

Robert D. Clark
Robert D. Clark
Assistant County Attorney

APPROVED AS TO FISCAL CONTENT:

Karen Montgomery 1/20/06
Karen Montgomery
Director of Finance

TOWN OF CASTLE ROCK

By: Ray Waterman
Ray Waterman, Mayor

ATTEST:

APPROVED AS TO FORM:

Sally Misare
Sally Misare, Town Clerk

Robert Stentz
Robert Stentz, Town Attorney

Exhibit 1

CERTIFICATIONS

The Town certifies that:

- a. It possesses legal authority to make a grant request, and to execute a community development and housing program, and to contract with the County for such assistance.
- b. Its governing body will duly adopt or pass as an official act, a resolution, motion or similar action authorizing the person identified as the official representative of the Town to submit the Town's funding proposal and all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the Town to act in connection with the submission of the proposal and to provide such additional information as may be required.
- c. As part of the County's citizen participation plan, the Town shall comply with 24 C.F.R. § 570.486 and hold a public hearing at least ten (10) days prior to submitting its funding proposal to the County and will:
 1. Provide citizens with the estimate of the amount of CDBG funds proposed to be used for activities that will benefit persons of low and moderate income; and
 2. Prepare its proposal of community development on the projected use of funds in accordance with 24 C.F.R. § 570.301(a)(3).
- d. The grant will be conducted and administered in compliance with:
 1. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 U.S.C. Section 2000d *et seq.*);
 2. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284; 42 U.S.C. Section 3601 *et seq.*); and
 3. Federal Fair Housing Requirements.
- e. It will develop its proposal of projected use of funds in which at least seventy percent (70%) of the funds are utilized on activities or projects that principally benefit low and moderate income families. The remaining funds may be used on activities or projects which address the other national objectives providing they are in compliance with HUD requirements and are activities or projects which eliminate slums or blight as identified in a HUD-approved slum/blight plan or meet an urgent need, as defined by HUD.

- f. It will not attempt to recover any capital costs of public improvements assisted in whole or in part with funds provided under Section 206 of the Act or with an amount resulting from a guarantee under Section 108 of the Act by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless;
 - 1. Funds received under Section 108 of the Act are used to pay the proportion of such fee or assessment that related to the capital costs of such public improvements that are financed from revenue sources other than under Title I of the Act; or
 - 2. For purposes of assessing any amount against properties owned and occupied by persons of moderate income, the Town certifies to the Secretary that it lacks sufficient funds received under Section 108 of the Act to comply with the requirements of subparagraph (1) above.
- g. When appropriate for the Town's projects, its notification, inspection, testing, and abatement procedures concerning lead-based paint will comply with 24 C.F.R. § 570.608.
- h. It will comply with the other provisions of the Act and with other applicable laws.
- i. The Town agrees to administer, in good faith, a policy designed to ensure that the activities and facilities are free from illegal use, possession, or distribution of drugs and alcohol by its beneficiaries and is in compliance with drug-free workplace policies.