

**INTERGOVERNMENTAL AGREEMENT AMONG  
THE TOWN OF CASTLE ROCK, COLORADO  
THE DAWSON RIDGE METROPOLITAN DISTRICT NOS. 1 THROUGH 5  
AND THE  
WESTFIELD METROPOLITAN DISTRICT NOS. 1 AND 2**

THIS AGREEMENT is made and entered into as of this \_\_\_ day of \_\_\_\_\_, 2022, by and among the TOWN OF CASTLE ROCK, a home-rule municipal corporation of the State of Colorado (“Town”), the DAWSON RIDGE METROPOLITAN DISTRICT NOS. 1 through 5, each quasi-municipal corporations and political subdivisions of the State of Colorado (the “Dawson Ridge Districts”), and the WESTFIELD METROPOLITAN DISTRICT NOS. 1 and 2, each quasi-municipal corporations and political subdivisions of the State of Colorado (the “Westfield Districts,” together with the Dawson Ridge Districts, the “Districts,” and individually a “District”). The Town and the Districts are each referred to herein as a “Party” and collectively referred to herein as the “Parties”.

**RECITALS**

WHEREAS, the Districts were organized to provide those services and to exercise powers as are more specifically set forth in the Amended and Restated Service Plan for Dawson Ridge Metropolitan District No. 1, Dawson Ridge Metropolitan District No. 2, Dawson Ridge Metropolitan District No. 3, Dawson Ridge Metropolitan District No. 4, Dawson Ridge Metropolitan District No. 5, Westfield Metropolitan District No. 1, and Westfield Metropolitan District No. 2, approved by the Town on September 6, 2022 (“Service Plan”); and

WHEREAS, the Service Plan requires that the Districts shall approve this Agreement at their first Board meeting after approval of the Service Plan; and

WHEREAS, the Parties have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (“Agreement”); and

WHEREAS, all defined terms set forth herein shall have the same meaning as set forth in the Service Plan; and

WHEREAS, the Parties intend for this Agreement to amend and replace in their entirety all previous intergovernmental agreements by, between and among the various Parties.

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

## COVENANTS AND AGREEMENTS

1. Operations and Maintenance. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop, and finance the Public Improvements. Each District is authorized to implement the Capital Plan and Financial Plan set forth in the Service Plan within and without its boundaries. Each District shall dedicate the Public Improvements to the Town or other appropriate jurisdiction or owners' association in a manner consistent with the Town Land Use Approvals and other rules and regulations of the Town and applicable provisions of the Town Code. The Districts shall be authorized to own, operate and maintain Public Improvements not otherwise dedicated to the Town or another governmental entity.

2. Fire Protection. A District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the Town; provided, however, that the Districts shall be permitted and are hereby authorized to plan for, design, acquire, construct, install, relocate, redevelop, and finance, fire protection facilities, specifically including, but not limited to, fire stations necessary for the Project. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision. The Project will obtain its fire protection and emergency response services from the Town.

3. Dominant Eminent Domain Limitation. The Districts shall not utilize the power of dominant eminent domain against Town-owned property or Town-leased property without the prior written consent of the Town.

4. Construction Standards. Each District will ensure that Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of any other federal, state, or local governmental entities having proper jurisdiction, including the Colorado Department of Public Health and Environment. Each District will obtain the Town's approval of civil engineering plans and will obtain applicable permits for the construction and installation of Public Improvements prior to performing such work.

5. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the issuing District will obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high-yield securities; and (2) the structure of [insert designation of the Debt],

including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

For purposes of this Section, “privately placed debt” includes any Debt that is sold to a private entity, including financial institutions, developers, or other private entities, and which no offering document related to such sale is required.

6. Inclusion Limitation. A District shall not include within its boundaries any property outside the Service Area without the prior written consent of the Town. A District shall not include within its boundaries any property inside the Inclusion Area Boundaries without the prior written consent of the Town, except upon petition of the fee owner or owners of one hundred percent (100%) of such property as provided in Section 32-1-401(1)(a), C.R.S.

7. Overlap Limitation. The boundaries of a District shall not overlap a previously formed metropolitan district providing the same services as such District unless the aggregate mill levy for payment of Debt of such District and the overlapping District will not at any time exceed the Maximum Debt Mill Levy of such District. Additionally, a District shall not consent to the overlap of boundaries for a subsequently formed metropolitan district providing the same services as such District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of such District.

8. Initial Debt. On or before the effective date of Town Land Use Approvals, a District shall not, without the written consent of the Town: (a) issue any Debt or Developer Debt; nor (b) impose a mill levy for the payment of Debt or Developer Debt by the direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any Development Fees used for the purpose of repayment of Debt or Developer Debt.

9. Total Debt Issuance. The Districts shall not issue Debt in excess of \$1,062,390,000, in the aggregate. The Total Debt Issuance Limitation shall not apply to bonds, loans, notes or other instruments issued for the purpose of refunding, refinancing, reissuing or restructuring outstanding Debt, so long as the principal amount of the Debt after such refunding or restructuring does not exceed the principal amount of the Debt that was refunded.

A District shall not be permitted to issue Debt nor refinance any Debt without first submitting the proposed financing to the Town for review and comment pursuant to Section 11.02.110 of the Town Code, as may be amended from time to time.

Notwithstanding anything herein to the contrary, any obligation of a District for the repayment of Developer Debt shall be included in the debt issuance limitation set forth above.

10. Fee Limitation. A District may impose and collect a Development Fee and/or levy special assessments as a source of revenue for repayment of Debt and/or capital costs; provided, however, that no Development Fee shall be authorized to be imposed upon, nor collected from, Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this section shall not apply to any fee imposed upon or collected from Taxable Property for the purpose of

funding operation and maintenance costs of such District or limit a District's ability to levy special assessments.

In accordance with the requirements of Section 32-1-1101.7, C.R.S., each District shall be authorized to: (a) establish and organize a special improvement district within the boundaries of each District to finance public improvements authorized under the Service Plan; (b) levy special assessments on property specially benefitted by such improvements ("Assessments") and (c) upon organization, each special improvement district shall be authorized to issue bonds secured and to be repaid by such Assessments.

11. Monies from Other Governmental Sources. The Districts shall not apply for nor accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or nonprofit entities that the Town is eligible to apply for, except pursuant to an intergovernmental agreement with the Town. In the event a District collects any of the aforementioned funds, it shall remit any and all monies collected to the Town within forty-five (45) days of receipt.

Nothing herein shall limit a District's ability to collect, receive or spend tax increment financing revenues or public improvement fee revenues.

12. Consolidation Limitation. A District shall not file a request with any court to consolidate with another Title 32 district without the prior written consent of the Town.

13. Bankruptcy Limitation. All of the limitations contained in the Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Development Fee, have been established under the authority of the Town to approve the Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason, or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral approval necessary under applicable non-bankruptcy law," as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

14. Notice of Meetings. A copy of the written notice for every regular or special meeting of a District will be delivered to the Town Clerk pursuant to section 11.02.150.F.9 of the Town Code.

15. Dissolution. Upon an independent determination of the Town Council that the purposes for which a District was created have been accomplished, such District agrees to file a petition in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of outstanding indebtedness, Debt, and other financial obligations as required pursuant to State statutes or without the written consent of Town Council.

16. Disclosure to Purchasers. The Districts will use reasonable efforts to assure that each owner of real property located within the Districts who sells real property that includes a newly constructed residence provide to the purchaser of such property such disclosure as is required by Section 38-35.7-110, C.R.S. The form of notice shall be filed with the Town prior to the initial issuance of District Debt and the imposition of a District mill levy.

17. Multiple District Structure. It is anticipated that the Districts, collectively, may undertake the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District may be clarified in an intergovernmental agreement among the Districts. All such agreements will be designed to help assure the orderly development of the Public Improvements and the provision of essential services in accordance with the requirements of the Service Plan.

18. Annual Report. The Districts shall be responsible for submitting an annual report to the Town Clerk in accordance with Article VII of the Service Plan, which report may be consolidated among the Districts, at the Town's administrative offices by no later than September 1<sup>st</sup> of each year following the year in which the Service Plan is approved. The annual report shall reflect activity and financial events of the Districts through the preceding December 31<sup>st</sup> (the "Report Year").

19. Maximum Debt Mill Levy. The "Maximum Debt Mill Levy" shall be the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of Debt, and shall be determined as follows: The Maximum Debt Mill Levy shall not exceed 64.044 mills, subject to future Assessed Valuation Adjustments. Each Assessed Valuation Adjustment shall be determined by the Board in good faith, with such determination to be binding and final. The Maximum Debt Mill Levy shall not apply to the assessment of mill levies to recoup or pay County-imposed refunds or abatements.

To the extent that a District is composed of, or subsequently organized into, one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to that District, and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

For the portion of any aggregate Debt which is equal to or less than 50% of a District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the debt service on such Debt, without limitation of rate.

For purposes of the foregoing, once Debt has been determined to be within 50% debt ratio as specified above, so that a District is entitled to pledge to its payment an unlimited ad valorem mill levy, such District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in such District's Debt to assessed ratio. All Debt issued by a District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

20. Maximum Debt Mill Levy Imposition Term. A District shall not impose a levy for repayment of any and all Debt (nor use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds 50 years after the year of the initial imposition of such mill levy authorized under the Service Plan, unless a majority of the Board of Directors of the District imposing the mill levy are End Users and have voted in favor of a refunding of a part or all of the Debt, and such refunding will result in a net present value savings as set forth in Section 11-56-101, *et seq.*, C.R.S.

Notwithstanding the above, any Debt instrument incurred by a District, including bonds, loans, or other multiple-fiscal-year financial obligations, and any refunding Debt instrument evidencing such District's repayment obligations, shall provide that the District's obligations thereunder shall be discharged 50 years after the date such Debt is issued, or such obligation is entered into regardless of whether the Debt or obligations are paid in full. This Debt discharge date may be extended by approval by the District if, at such time, a majority of the Board are End Users.

21. Operations and Maintenance Mill Levy. Each District shall be authorized to impose a mill levy to pay or offset such District's operating costs. The Maximum Aggregate Mill Levy that each District is permitted to impose shall not exceed 74.044 mills, subject to future Assessed Valuation Adjustments. Each Assessed Valuation Adjustment shall be determined by the Board in good faith, with such determination to be binding and final. The limitations described above shall not apply to the assessment of mill levies to recoup or pay County-imposed refunds or abatements.

22. Regional Mill Levy. At any time a District imposes a mill levy for Debt, such District shall also impose a Regional Mill Levy. There shall be submitted a ballot question to authorize the annual imposition of the Regional Mill Levy at a duly called election conducted by each District. Each District's obligation to impose and collect the revenues from the Regional Mill Levy shall begin when such District first imposes a mill levy for Debt, and shall continue to be imposed by the District until such time as the District no longer imposes a mill levy for any purpose or, subject to the limitations set forth in Section VIII of the Service Plan, is otherwise dissolved, whichever shall last occur. The revenues received from the Regional Mill Levy shall be remitted to the Town on an annual basis by no later than December 1.

23. Service Plan Amendment Requirement. Actions of a District which violate the limitations set forth in Sections V.A.1-13 or VI.B-K of the Service Plan shall be deemed to be material modifications to the Service Plan, and the Town shall be entitled to all remedies available under State and local law to enjoin such actions of such District.

24. Termination of Suspension Agreement. The Town and the Dawson Ridge Districts hereby agree that the Suspension Agreement, dated October 8, 1992, entered into by, between and among the Dawson Ridge Districts and the Town, is hereby terminated in its entirety.

25. Amend and Replace in Their Entirety. The Town and the Districts hereby agree that any intergovernmental agreements entered into by, between, and among the various Parties hereto are amended and replaced in their entirety with this Agreement.

26. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder, or required by law, shall be in writing and shall be deemed to have

been validly given or served by delivery of same in person to the address or by courier delivery, via United Parcel Service or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the Districts: Dawson Ridge Metropolitan District Nos. 1-5  
Westfield Metropolitan District Nos. 1-2  
2154 East Commons Avenue, Suite 2000  
Centennial, Colorado 80122  
Attn: Jennifer Gruber Tanaka, Esq.  
Phone: (303) 858-1800  
Fax: (303) 858-1801  
jtanaka@wbapc.com

To the Town: Town of Castle Rock  
100 N. Wilcox Street  
Castle Rock, Colorado 80104  
Attn: David L. Corliss, Town Manager  
Phone: (303) 660-1374  
DCorliss@crgov.com  
With a copy to: Michael J. Hyman, Esq., Town  
Attorney  
Phone: (303) 660-1398  
MHyman@crgov.com

All notices, demands, requests or other communications shall be effective upon such personal delivery, or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service, or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof, in accordance with the provisions hereof, each of the Parties shall have the right, from time to time, to change its address.

27. Amendment. This Agreement may be amended, modified, changed, or terminated, in whole or in part, only by a written agreement duly authorized and executed by the Parties hereto and without amendment to the Service Plan.

28. Assignment. No Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of all other Parties, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

29. Default/Remedies. In the event of a breach or default of this Agreement by any Party, the non-defaulting Parties shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party/Parties in such proceeding shall be entitled to obtain, as part of its judgment or award, its reasonable attorney fees.

30. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado.

31. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon, and inure to the benefit of, the Parties hereto and their respective successors and assigns.

32. Integration. This Agreement constitutes the entire agreement among the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

33. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended, nor shall be construed, to confer upon, or to give to, any person other than the Districts and the Town any right, remedy, or claim under, or by reason of, this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement, by and on behalf of the Districts and the Town, shall be for the sole and exclusive benefit of the Districts and the Town.

34. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

35. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which shall constitute one and the same document.

36. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

37. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Service Plan.

[Signature page follows]



IN WITNESS WHEREOF, this Agreement is executed by the Town and the Districts as of the date first above written.

DAWSON RIDGE METROPOLITAN DISTRICT NO. 1 ATTEST:

\_\_\_\_\_  
President  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Secretary  
Printed Name: \_\_\_\_\_

DAWSON RIDGE METROPOLITAN DISTRICT NO. 2 ATTEST:

\_\_\_\_\_  
President  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Secretary  
Printed Name: \_\_\_\_\_

DAWSON RIDGE METROPOLITAN DISTRICT NO. 3 ATTEST:

\_\_\_\_\_  
President  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Secretary  
Printed Name: \_\_\_\_\_

DAWSON RIDGE METROPOLITAN DISTRICT NO. 4 ATTEST:

\_\_\_\_\_  
President  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Secretary  
Printed Name: \_\_\_\_\_

DAWSON RIDGE METROPOLITAN DISTRICT NO. 5 ATTEST:

\_\_\_\_\_  
President  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Secretary  
Printed Name: \_\_\_\_\_

WESTFIELD METROPOLITAN DISTRICT NO. 1

ATTEST:

\_\_\_\_\_  
President  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Secretary  
Printed Name: \_\_\_\_\_

WESTFIELD METROPOLITAN DISTRICT NO. 2

ATTEST:

\_\_\_\_\_  
President  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Secretary  
Printed Name: \_\_\_\_\_

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

\_\_\_\_\_  
General Counsel for the Districts

TOWN OF CASTLE ROCK, COLORADO

Attest:

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

Jason Gray, Mayor

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

Lisa Anderson, Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_

Michael J. Hyman, Town Attorney