

INTERGOVERNMENTAL AGREEMENT
BY AND BETWEEN
THE TOWN OF FIRESTONE, COLORADO
AND
THE SPRINGS METROPOLITAN DISTRICT

This INTERGOVERNMENTAL AGREEMENT (the "Agreement") is entered into this 16th day of January 2006, by and between the TOWN OF FIRESTONE, COLORADO, a municipal corporation of the State of Colorado (the "Town"), and THE SPRINGS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), collectively referred to herein as the "Parties".

RECITALS

WHEREAS, the District was organized to finance certain public improvements, all as are more specifically set forth in the District's Service Plan, dated October 7, 2005, and approved by the Town on October 13, 2005, by Resolution No. 05-31 (the "Service Plan"); and

WHEREAS, the Service Plan makes reference to and requires the execution of an intergovernmental agreement between the Town and the District; and

WHEREAS, the Town and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Agreement;

NOW, THEREFORE, for and 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. APPLICATION OF LOCAL LAWS. The District hereby acknowledges that the property within its boundaries shall be subject to all ordinances, rules and regulations of the Town, including without limitation, ordinances, rules and regulations relating to zoning, subdividing, building and land use, and to all related Town land use policies, master plans, related plans and intergovernmental agreements.

2. NATURE OF DISTRICT. The District agrees that it is organized for the purpose of financing certain public improvements for the area within its boundaries only (except to the extent otherwise specifically provided in Article V.c of the Service Plan), which area is designated as the proposed Vogl North development, and that the District's purposes, powers, facilities, functions and activities are to be limited and governed by the Service Plan. The District shall fully comply with all provisions, requirements, restrictions and limitations of the Service Plan. The District is not intended to and shall not provide facilities or service outside its boundaries (except as otherwise specifically provided in Article V.c of the Service Plan). Further, the District is not intended to and shall not exist perpetually, but instead shall

be dissolved in accordance with the Service Plan and this Agreement. The District shall not provide any services or facilities within any area of the District overlapping with the service area of another district without first obtaining the written consent of each and every district whose service area is so overlapped.

3. CHANGE IN BOUNDARIES. The District agrees that, as set forth in the Service Plan, inclusion of properties within, or any exclusion of properties from, its boundaries shall constitute a material modification of the Service Plan; any purported inclusion or exclusion that has not been approved by the Town pursuant to the procedures applicable to a material modification of the Service Plan shall be void and of no effect.

4. TOWN APPROVAL REQUIREMENTS; REVIEW OF DISTRICT SUBMITTALS. The District agrees that any Town approval requirements contained in the Service Plan (including, without limitation, any Service Plan provisions requiring that any change, request, action, event or occurrence be treated as a Service Plan amendment proposal or be deemed a "material modification" of the Service Plan) shall remain in full force and effect, and such Town approval shall continue to be required, notwithstanding any future change in law modifying or repealing any statutory provision concerning service plans, amendments thereof or modifications thereto. The District agrees to reimburse the Town for all reasonable administrative and consultant costs incurred by the Town for any Town review of reports, plans, submittals, proposed modifications or requests for administrative approvals, or other materials or requests provided to the Town by the District pursuant to the Service Plan, this Agreement, state law or the Firestone Municipal Code. The Town may require a deposit of such estimated costs.

5. OWNERSHIP OF IMPROVEMENTS; LIMITED FUNCTIONS. The Parties agree that the District shall be a "financing only" district and shall not be permitted to undertake ownership, operation or maintenance of any public improvements, facilities or services, except as specifically set forth in the Service Plan. All functions, activities, improvements, services and programs of the District are limited to those expressly authorized in the Service Plan, notwithstanding any different, additional or expanded powers or authority that may be granted to the District by any present or future statutory or regulatory provisions.

6. ALLOCATION OF FINANCING PROCEEDS. The Parties agree, and the Town's approval of the Service Plan is expressly conditioned upon the requirement, that a total of One Million One Hundred Twenty-Six Thousand Five Hundred Sixty-Seven Dollars (\$1,126,567.00) will be allocated from the District's net bond financing proceeds to the Town's capital improvements fund, which proceeds shall be paid to the Town at the time proceeds are realized from the issuance of bonds as provided for in the Service Plan. Such allocations shall be made in the amounts and at the times set forth in Article V.c of the Service Plan, which Article is incorporated herein by reference as though set forth in full. Such allocations will be used by the Town to finance capital improvements (either within or outside the boundaries of the District) that the Town and the District would otherwise be empowered to construct, and for which the District is authorized to incur indebtedness i.e., streets, traffic safety controls, street lighting, water, storm drainage, park and recreation or landscaping improvements and facilities, which improvements shall be of benefit to the Town and the District and shall be specifically

identified in an amendment to this Agreement which amendment shall be fully executed prior to the issuance of any District bonds.

The District acknowledges and agrees that the provisions of this Agreement and the provisions of the Service Plan for concurrent allocation of bond proceeds to the Town's capital improvements fund for capital improvements are material considerations in, and conditions of, the Town's approval of the District's Service Plan, and that the Town has relied thereon in approving the District's Service Plan. Therefore, the District agrees that it shall include in and make available from the District's bond financing proceeds such One Million One Hundred Twenty-Six Thousand Five Hundred Sixty-Seven Dollars (\$1,126,567.00) to be paid to the Town's capital improvements fund. The District further agrees that it shall not issue bonds without concurrently allocating and delivering to the Town the funds required by Article V.c of the Service Plan. The District further agrees that such delivery of bond proceeds to the Town shall be a condition of closing for each series of bonds. The District specifically agrees that the provisions of this Agreement and of the Service Plan for such concurrent allocation of bond proceeds to the Town shall run in favor of and shall be enforceable by the Town. The District represents and warrants that it has obtained all voter authorizations necessary to implement such provisions of this Agreement and the Service Plan, and that it will exercise its powers in accordance with and in furtherance of such provisions.

7. CONSOLIDATION. The District shall not file a request with the District Court to consolidate with another district without the prior written approval of the Town.

8. DISSOLUTION. The District agrees that it shall take all action necessary to dissolve the District upon payment or defeasance of the District's bonds or otherwise upon the request of the Town, all as provided in the Service Plan. If prior to the issuance of any bonds or the incurrence of any financial obligations by the District, the District wishes to dissolve in accordance with applicable law, the Town shall consent to such dissolution.

9. NOTICE OF MEETINGS. The District agrees that it shall submit a copy of the written notice of every regular or special meeting and work session of the District's Board of Directors to the Office of the Firestone Town Administrator, by mail, facsimile or hand delivery, to be received at least three (3) days prior to such meeting. The District agrees that it shall also submit a complete copy of meeting packet materials for any such meeting to the Office of the Firestone Town Administrator, by mail, facsimile or hand delivery, to be received at least one (1) day prior to such meeting.

10. ANNUAL REPORT; OTHER INFORMATION. The District shall be responsible for submitting to the Town an annual report pursuant to and as set forth in Article VII of the Service Plan.

11. ENTIRE AGREEMENT OF THE PARTIES. This written Agreement, together with the Service Plan, constitutes the entire agreement between the Parties and supersedes all prior written or oral agreements, negotiations, or representations and understandings of the Parties with respect to the subject matter contained herein.

12. 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.

13. ENFORCEMENT. The Parties agree that this Agreement may be enforced in law or in equity for specific performance, injunctive or other appropriate relief, including damages, as may be available according to the laws and statutes of the State of Colorado.

14. VENUE. Venue for the trial of any action arising out of any dispute hereunder shall be in Weld County District Court.

15. BENEFICIARIES. Except as otherwise stated herein, this Agreement is intended to describe the rights and responsibilities of and between the named parties and is not intended to, and shall not be deemed to, confer any rights upon any persons or entities not named as parties.

16. EFFECT OF INVALIDITY. If any portion of this Agreement is held invalid or unenforceable for any reason by a court of competent jurisdiction as to either party or as to both Parties, such portion shall be deemed severable and its invalidity or its unenforceability shall not cause the entire agreement to be terminated. Further, with respect to any portion so held invalid or unenforceable, the District and Town agree to take such actions as may be necessary to achieve to the greatest degree possible the intent of the affected portion.

17. ASSIGNABILITY. Other than as specifically provided for in this Agreement, neither the Town nor the District shall assign their rights or delegate their duties hereunder without the prior written consent of the other Parties.

18. SUCCESSORS AND ASSIGNS. Subject to Paragraph 17 hereof, this Agreement and the rights and obligations created hereby shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

[Remainder of page intentionally left blank].

THE SPRINGS METROPOLITAN
DISTRICT

By: *Edward M. ...*
President

ATTEST:

By: *Dan M. Smith*
Secretary



ATTEST:

By: *Judy Hegwood*
Its: *Town Clerk*

TOWN OF FIRESTONE

By: *[Signature]*
Its: *Mayor*