

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF GRAND JUNCTION, COLORADO
AND
WESTERN SLOPE METROPOLITAN DISTRICT**

THIS AGREEMENT is made and entered into as of this 2nd day of February, 2024, by and between the CITY OF GRAND JUNCTION, a home-rule municipal corporation of the State of Colorado (“City”), and WESTERN SLOPE METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”). The City and the District are collectively referred to as the Parties.

RECITALS

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District’s Service Plan approved by the City on August 16, 2023 (“Service Plan”); and

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

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

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 District shall dedicate the Public Improvements (as defined in the Service Plan) to the City, other jurisdiction, or an owners’ association, as appropriate, in a manner consistent with an Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code.

The District is expected to undertake all ownership, operations and maintenance responsibilities for the Public Improvements that are not conveyed to the City or other governmental entities as appropriate and will do so either itself or by contract with owners’ association(s) as provided above. The District is authorized to provide for the ongoing operations and maintenance of landscaping improvements, and is authorized to provide covenant enforcement services, in accordance with Section 32-1-1004(8)(a), C.R.S. Additional ongoing operational activities are allowed, but only as authorized by an intergovernmental agreement with the City. Revenue to pay the expenses of operations may be obtained from fees legally imposed by the District or other legally available revenues of the District subject to the limitation in Section V.A.9 of the Service Plan. Whether the facilities are operated directly by District, or are operated by an owners’ association(s), user fees may be obtained by the District to offset the expenses.

2. Acquisition of Land for Public Improvements and Easements. The District agrees to acquire by easement or plat dedication, or cause the dedication to the City of, all land required by the City for construction of public improvements being provided by the District that will be conveyed to the City. Exceptions must be approved by the City in writing. Failure to comply with this provision shall be deemed to be a material modification of the Service Plan.

3. Construction Standards. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction and in accordance with the requirements of an Approved Development Plan. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work. All construction cost estimates are based on the assumption that construction conforms to applicable local, State, and Federal requirements.

4. Issuance of Privately Placed Debt.

(a) Prior to the issuance of any privately placed Debt, the District shall 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.

To the extent any portion of the Debt is to be issued through a private placement to which Section 32-1-1101(7)(a), C.R.S. would apply (the "**Interest Rate Restricted Debt Portion**"), the requirements of such Section shall apply to determine the interest rate on the Interest Rate Restricted Debt Portion of the Debt.

(b) Such certification shall be provided to the City by the District no later than ten (10) days following the issuance of any such privately placed Debt.

5. Inclusion Limitation. The District shall not include within its boundaries any property outside the Service Area until such inclusion has been approved by the City as part of a Service Plan Amendment.

6. Overlap Limitation. The District shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap

the boundaries of the District until such overlap has been approved by the City as part of a Service Plan Amendment.

7. Initial Debt Limitation. On or before the effective date of approval by the City of an Approved Development Plan, the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direction imposition or by transfer of funds from the operating fund to the Debt service fund; nor (c) impose and collect any fees for the purpose of repayment of Debt.

8. Monies from Other Governments/Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

9. Total Debt Issuance. The District shall not issue Debt in excess of twenty million dollars (\$20,000,000).

10. Consolidation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City.

11. Bankruptcy Limitation. All of the limitations contained in the Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy have been established under the authority of the City to approve a 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 nonbankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt issued with a pledge or which results in a pledge that exceeds the Maximum Debt Mill Levy shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S., and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

12. Dissolution. Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the 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 all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes.

13. Disclosure to Purchasers. The District will use reasonable efforts to assure that all developers of property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Debt Mill Levy, as well as a general description of the District's authority to impose and collect rates, fees, tolls and charges, and all other legally available revenue.

14. Service Plan Amendment Requirement. Actions of the District which violate the limitations set forth in the Service Plan or this Agreement shall be deemed to be material modifications to the Service Plan and breaches of this Agreement and the City shall be entitled to all remedies available at law or in equity under State and local law.

15. Annual Report. The District shall be responsible for submitting an annual report to the City Attorney's office no later than August 1st of each year.

(a) Report Contents.

The annual report shall include information as applicable for the reporting year as follows:

- (i) Boundary changes made.
- (ii) Intergovernmental Agreements with other governmental entities, either entered into or terminated.
- (iii) Access information to obtain a copy of rules and regulations adopted by the Board.
- (iv) A summary of all litigation involving public improvements owned by the District.
- (v) The status of the construction of public improvements by the District.
- (vi) A list of all facilities or improvements constructed by the District that were conveyed or dedicated to the City.
- (vii) The final assessed valuation of the District as of December 31 of the reporting year.
- (viii) A copy of the current year's budget.
- (ix) A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", Part 6 of Article 1 of Title 29, or the application for exemption from audit, as applicable.
- (x) Notice of any uncured defaults existing for more than ninety (90) days under any Debt instrument of the District.

(xi) Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

16. Maximum Debt Mill Levy. The “Maximum Debt Mill Levy” shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt, as set forth below:

(a) The Maximum Debt Mill Levy shall be fifty (50) mills; subject to the Mill Levy Adjustment (as that term is defined in the Service Plan).

(b) To the extent that the 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 the District and to each subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

17. Debt Repayment Sources. The District may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The District may also rely upon various other revenue sources authorized by law. At the District’s discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(I), C.R.S., as amended from time to time, as well as any and all other legally available revenue subject to the limitation in Section V.A.9 of the Service Plan.

18. Debt Instrument Disclosure Requirement. In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District. Similar language describing the limitations in respect to the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the District.

19. Security for Debt. Approval of the Service Plan and this Agreement shall not be construed as a guarantee by the City of payment of any of the District’s obligations, nor shall anything in the Service Plan or this Agreement be construed so as to create any responsibility or liability on the part of the City in the event of default by the District in the payment of any such obligation.

20. 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

the City 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 District and the City shall be for the sole and exclusive benefit of the District and the City.

28. 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.

29. 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.

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

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

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[SIGNATURE PAGE FOR INTERGOVERNMENTAL AGREEMENT]

WESTERN SLOPE
METROPOLITAN DISTRICT

By: Mark L. Zilberg
President

Attest:

Daniel Nichols
Secretary

CITY OF GRAND JUNCTION,
COLORADO

By: [Signature]
President of the City Council



By: Amy Phillips
Its: City Clerk

APPROVED AS TO FORM: [Signature]