

**INTERGOVERNMENTAL AGREEMENT
BETWEEN DOUGLAS COUNTY AND
STERLING RANCH COMMUNITY AUTHORITY BOARD,
CONCERNING GRADING, EROSION AND SEDIMENT CONTROL
SECURITY FOR OBLIGATIONS UNDER THE DOUGLAS COUNTY
GRADING, EROSION AND SEDIMENT CONTROL MANUAL**

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2024, by and between the Sterling Ranch Community Authority Board ("CAB"), and the Board of County Commissioners for and on behalf of the County of Douglas, Colorado (the "County"), hereinafter collectively referred to as the "Parties."

WHEREAS, the CAB is an authority and separate entity formed pursuant to § 29-1-203.5, C.R.S., by the Sterling Ranch Colorado Metropolitan Districts Nos. 1-7 for the purposes of designing, planning, financing, constructing, owning and operating certain public infrastructure for the benefit of the entire community known as the Sterling Ranch Planned Development ("SRPD") located in Douglas County, Colorado; and

WHEREAS, the CAB has and will, from time to time, apply for, receive approval and work under separate Douglas County Grading, Erosion and Sediment Control ("GESC") permits ("GESC Permits") with the County for grading operations and associated installation and maintenance of GESC control measures in furtherance of the purposes for which it was formed; and

WHEREAS, this Agreement shall serve in lieu of the irrevocable letters of credit, cashiers check or credit card fiscal securities as required by Section 4.8.3 of the Douglas County GESC Manual ("GESC Manual"), all in accordance with this Agreement; and

WHEREAS, the County and the CAB agree that this Agreement is only applicable to GESC security for grading operations and associated installation and maintenance of GESC control measures by the CAB that serve the SRPD, regardless of whether such improvements are located within or external to the development; and

WHEREAS, the CAB has completed 34 projects with GESC permits with securities worth over \$7,000,000 within the SRPD over the past ten years without any problems or draws on those securities; and

WHEREAS, the SRPD is a very large multiphase development that will have many more GESC Permits associated with roadway, drainage, open drainageway, sanitary sewer and water infrastructure in support of the SRPD with various security requirements a single standard LOC or Cash Deposit may simplify the permitting process and tracking of securities while reducing the financial burden on the CAB in the coming years of SRPD development.

NOW, THEREFORE, the County and the CAB agree as follows:

1. The CAB shall deliver to the County a single letter of credit ("LOC") or a cash deposit ("Cash Deposit") in the amount of Two Hundred Thousand Dollars (\$200,000.00) to cover

all active GESC Permits by the CAB, whether covered under currently issued permit or future permits.

2. If a LOC is used in lieu of a Cash Deposit, it shall be in the form of an irrevocable letter of credit acceptable to the County and issued by a bank approved by the County.

3. The LOC or Cash Deposit shall be held by the County as the GESC Security to guarantee performance by the CAB of its GESC Obligations under all active GESC Permits issued to the CAB in connection with the SRPD.

4. The County may draw upon the LOC or Cash Deposit as it would a fiscal security in the event of a default under a GESC Permit that CAB fails to timely cure as described in Section 6.9 of the GESC Manual without further notice or process, up to the Two Hundred Thousand Dollar (\$200,000) deposit.

a. In the event the County does draw on the LOC or Cash Deposit, CAB shall cause such LOC or Cash Deposit to be refreshed to the full amount of Two Hundred Thousand Dollars (\$200,000) within ten (10) business days of being notified of the amount drawn on the LOC or Cash Deposit.

b. In the event the County incurs costs beyond the LOC or Cash Deposit to remedy any CAB default, CAB shall, within ten (10) business days pay to the County the sum sufficient to compensate the County for all costs incurred in remedying the CAB default and to fully refresh the full amount of the Two Hundred Thousand Dollar LOC or Cash Deposit.

c. In the event the County does draw on the LOC or Cash Deposit, the County shall withhold future GESC permit requests from operating under this agreement and the County may immediately terminate this agreement. All future GESC permit requests will be required to comply with Section 4.8 – *Posting Fiscal Security* of the GESC Manual.

5. Other than the provision of the GESC security as required herein, and as referenced in the active GESC Permits in accordance with and as amended by this Agreement, nothing herein shall be deemed to relieve the CAB of its obligations pursuant to any active GESC Permits.

6. The County may terminate this Agreement at its sole discretion upon at least 60 days written notice to the CAB, or immediately upon drawing on the LOC as described in 4.c above. In the event the County elects to terminate this Agreement, the CAB shall deliver to the County prior to the effective date of such termination an irrevocable standby letter of credit or cash in an amount not less than all GESC Security Obligations of the CAB under any active GESC Permits that are valid at that time. The letter of credit or cash provided by the CAB shall be in accordance with its obligations under all active GESC Permits previously covered by the GESC security under this Agreement.

7. None of the parties shall be liable for failure to perform hereunder if such failure is the result of Force Majeure and any time limit expressed in this Agreement shall be extended for the period of any delay resulting from any Force Majeure. "Force Majeure" shall mean causes

beyond the reasonable control of any party such as, but not limited to, weather conditions, acts of God, strikes, work stoppages, fire or other casualty, or action of government authorities.

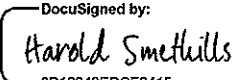
8. In the event there is a default under any active GESC Permits for failure to comply with the GESC Obligations, the County in accordance with and subject to the terms and conditions of the GESC Manual and GESC Permits shall have the right to draw on the LOC or Cash Deposit the necessary funds to complete or cure any non-compliance according to the approved GESC plans in an amount not to exceed the GESC Security amount. Failure to remedy any default by the CAB to sufficiently secure any GESC permits or if the County is unable to draw on any such security provided, may result in the inability of CAB to obtain further GESC permits until such default or inability to draw has been remedied to the reasonable satisfaction of the County.

9. Any and all funds previously provided to the County by the CAB as security to guarantee performance by the CAB of its GESC Obligations under the active GESC Permits for Sterling Ranch Filings 1, 2, 3, 4, 5 and 6 shall be retained by the County until the active GESC Permits are closed as would normally be required by the conditions of the GESC Permit and GESC Manual.

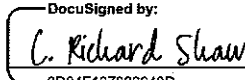
10. This Agreement, and any agreement or document referenced herein, constitutes the entire understanding between the parties with respect to the subject matter hereof.

DATED this ____ day of _____, 2024.

STERLING RANCH COMMUNITY
AUTHORITY BOARD

By: 
8D12948EDCE9415...
Title: president

ATTEST:

By: 
0D04F137822643D...
Title: Secretary / Assistant Secretary

**BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS**

BY: _____
Chairman

DATE: _____

APPROVED AS TO CONTENT:

DOUGLAS J. DEBORD
County Manager

DATE: _____

APPROVED AS TO LEGAL FORM:

CHRIS PRATT
Assistant County Attorney

DATE: _____

**APPROVED AS TO FISCAL
CONTENT:**

ANDREW COPLAND
Director of Finance

DATE: _____

**INTERGOVERNMENTAL AGREEMENT
BETWEEN DOUGLAS COUNTY AND
STERLING RANCH COMMUNITY AUTHORITY BOARD,
CONCERNING GRADING, EROSION AND SEDIMENT CONTROL
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WHEREAS, this Agreement shall serve in lieu of the irrevocable letters of credit, cashiers check or credit card fiscal securities as required by Section 4.8.3 of the Douglas County GESC Manual ("GESC Manual"), all in accordance with this Agreement; and

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4. The County may draw upon the LOC or Cash Deposit as it would a fiscal security in the event of a default under a GESC Permit that CAB fails to timely cure as described in Section 6.9 of the GESC Manual without further notice or process, up to the Two Hundred Thousand Dollar (\$200,000) deposit.

a. In the event the County does draw on the LOC or Cash Deposit, CAB shall cause such LOC or Cash Deposit to be refreshed to the full amount of Two Hundred Thousand Dollars (\$200,000) within ten (10) business days of being notified of the amount drawn on the LOC or Cash Deposit.

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c. In the event the County does draw on the LOC or Cash Deposit, the County shall withhold future GESC permit requests from operating under this agreement and the County may immediately terminate this agreement. All future GESC permit requests will be required to comply with Section 4.8 – *Posting Fiscal Security* of the GESC Manual.

5. Other than the provision of the GESC security as required herein, and as referenced in the active GESC Permits in accordance with and as amended by this Agreement, nothing herein shall be deemed to relieve the CAB of its obligations pursuant to any active GESC Permits.

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7. None of the parties shall be liable for failure to perform hereunder if such failure is the result of Force Majeure and any time limit expressed in this Agreement shall be extended for the period of any delay resulting from any Force Majeure. "Force Majeure" shall mean causes

beyond the reasonable control of any party such as, but not limited to, weather conditions, acts of God, strikes, work stoppages, fire or other casualty, or action of government authorities.

8. In the event there is a default under any active GESC Permits for failure to comply with the GESC Obligations, the County in accordance with and subject to the terms and conditions of the GESC Manual and GESC Permits shall have the right to draw on the LOC or Cash Deposit the necessary funds to complete or cure any non-compliance according to the approved GESC plans in an amount not to exceed the GESC Security amount. Failure to remedy any default by the CAB to sufficiently secure any GESC permits or if the County is unable to draw on any such security provided, may result in the inability of CAB to obtain further GESC permits until such default or inability to draw has been remedied to the reasonable satisfaction of the County.

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10. This Agreement, and any agreement or document referenced herein, constitutes the entire understanding between the parties with respect to the subject matter hereof.

DATED this ____ day of _____, 2024.

STERLING RANCH COMMUNITY
AUTHORITY BOARD

By: DocuSigned by:
Harold Smethills
8D12948EDCE9415
Title: president

ATTEST:

By: DocuSigned by:
C. Richard Shaw
0D04F137822643D...
Title: Secretary / Assistant Secretary

**BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS**

BY: _____
Chairman

DATE: _____

APPROVED AS TO CONTENT:

DOUGLAS J. DEBORD
County Manager

DATE: _____

APPROVED AS TO LEGAL FORM:

CHRIS PRATT
Assistant County Attorney

DATE: _____

**APPROVED AS TO FISCAL
CONTENT:**

ANDREW COPLAND
Director of Finance

DATE: _____