

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the “Agreement”) is entered into by and between Church of the Rock, Inc., d/b/a The Rock (“Church”), and The Town of Castle Rock, Colorado, a municipal corporation and body politic (the “Town”). The Church and the Town may be referred to herein collectively as “Parties” or individually as a “Party.”

RECITALS

A. WHEREAS, on May 13, 2024, the Church filed a Complaint against the Town and a Motion for Preliminary Injunction in the United States District Court for the District of Colorado, Case No. 24-cv-01340 (the “Federal Case”).

B. WHEREAS, on July 19, 2024, the Court issued its “Order Granting in Part Motion for a Preliminary Injunction,” enjoining the Town from enforcing the Town’s land-use laws against the Church to prohibit the Church’s operation of its On-Site Temporary Shelter Ministry as to the two trailers on the Church’s property during the pendency of the Federal Case;

C. WHEREAS, on December 2, 2024, the Town issued a revised Letter of Determination that explicitly permits the Church to operate its On-Site Temporary Shelter ministry in the two trailers on the Church’s property, and clarifies that the applicable Planned Development zoning regulations do not prevent the Church from providing emergency shelter; and

D. WHEREAS, the Parties enter into this Agreement to resolve the Federal Case, to avoid the uncertainty of litigation, and to avoid incurring further attorney fees and costs.

E. WHEREAS, the Parties wish to clarify the definition of “trailer” to include travel trailers and recreational vehicles with the purpose of providing a temporary living space for the On-Site Temporary Shelter Ministry.

NOW THEREFORE, the Parties agree as follows:

AGREEMENT

1. Effective Date. The Effective Date of this Agreement shall be the date that this Agreement is fully executed by all Parties.

2. New Letters of Determination. Within fourteen (14) days of the Effective Date as defined above, the Town will issue another revised Letter of Determination (the “New Letter of Determination”) that explicitly (a) permits the Church to operate its On-Site Temporary Shelter ministry in a maximum of seven (7) trailers to be located at the seven (7) existing trailer hook-ups now existing on the Church’s property; and (b) confirms that the Planned Development zoning regulations do not prevent the Church from providing emergency shelter, both inside and outside the current on-site building structures, including through its partnership with the Red Cross. The Town will also issue a separate letter of determination to confirm that the Planned Development

zoning regulations do not prevent the Church from providing coffee service, at cost or for voluntary donations, on Church property during the Church's operating hours.

3. Screening of Additional Trailers. The Parties agree that the Town has the option to install screening on the property in the form and location described in Exhibit 1 hereto if more than four (4) trailers are operated on the Church's property. The Town agrees to pay for permitting, inspection, and installation of any screening described in Exhibit 1, with the approval of screening by the Church, and to cooperate with the Church to complete all inspections and permitting required for the installation of this screening. The Church agrees not to unreasonably withhold approval of any screening, and the Town agrees not to unreasonably delay the permitting, inspection, and installation of any screening once approved. In exchange for the Town's agreement to fund the construction and installation of this screening, the Church agrees to permit reasonable access by the Town to the Church's property for ongoing inspection and maintenance of the screening.

4. Dismissal of the Federal Case. Upon issuance of the New Letter of Determination described in paragraph 2, the Church will, within seven (7) days of such issuance, file a Notice of Dismissal of the Lawsuit with the Court (the "Dismissal"), specifically stating that each party will bear its own costs.

5. The Church's Release of the Town. Upon the filing of the Dismissal, the Church, on behalf of itself and its agents, attorneys, successors, assigns, heirs, representatives, and all others claiming by or through it completely releases and forever discharges the Town from any and all claims arising out of the September 29, 2023 Letter of Determination or other facts alleged or described in or giving rise to the Federal Case.

6. The Town's Release of the Church. Upon the filing of the Dismissal, the Town, on behalf of itself and its agents, attorneys, successors, assigns, heirs, representatives, and all others claiming by or through it completely releases and forever discharges the Church from any and all claims relating to or arising out of the September 29, 2023 Letter of Determination and/or the facts alleged or described in or giving rise to the Federal Case. Nothing herein shall affect the Town's future ability to enforce its municipal code or other applicable law.

7. Joint Statement. Upon the filing of the Dismissal, the Parties will issue a joint statement ("Joint Statement"), attached hereto as Exhibit 2. Both Parties will publish the Joint Statement on their websites for a period of 30 days following the Effective Date.

8. Attorney Fees. Within thirty (30) days of the Effective Date as defined above, the Town will pay the sum of two hundred twenty-five thousand dollars (\$225,000) via certified funds to Troutman Pepper Locke LLP, to defray the reasonable attorneys' fees incurred by the Church in prosecuting the Federal Case.

9. Representations and Warranties. Each of the Parties represent and warrant to the other that this Agreement constitutes their legal, valid and binding obligation, enforceable against them in accordance with its terms. Each Party further represents to the other that they have the authority to enter this Agreement and that, except as expressly stated in this Agreement, no further

approvals, consents, or permission is needed from anyone in order for this Agreement to be valid and binding upon the parties hereto.

10. Warranty of No Coercion. The Parties represent and warrant that they are freely and voluntarily entering into this Agreement; they were not coerced by any person; they have read this Agreement; they fully agree to each and every provision hereof; and they have had a full and fair opportunity to consult legal counsel with regard to this Agreement.

11. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous representations, understandings, and agreements between the Parties.

12. Governing Law. This Agreement shall be interpreted, construed and enforced in accordance with the substantive laws of the State of Colorado without regard to its principles of conflict of laws.

13. Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.

14. Waiver and Modification. No waiver or modification of any of the terms of this Agreement will be valid or effective unless in writing and signed by all the Parties to this Agreement. The failure of any Party to enforce, at any time, any provision of this Agreement, or to require the performance of any provision hereof, shall not be construed to be a waiver or modification of such provision, or of the right thereafter to enforce such provision or any other provision of this Agreement. No waiver of any breach of this Agreement shall be, nor shall such be construed to be, a waiver of any other or subsequent breach.

15. Enforcement Costs. In the event any party brings an action to enforce any provision of this Agreement, the prevailing party shall be entitled to recover its reasonable attorney fees and costs incurred in connection with the enforcement or defense of the same.

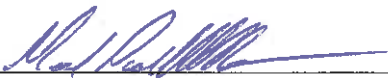
16. Joint Drafting. This Agreement was drafted by all Parties, and in the event of any dispute over interpretation of this Agreement, there shall be no bias or presumption against the position or interpretation offered by any Party.

17. Headings. The headings of the various paragraphs contained herein are for convenience of reference only and shall not affect the meaning or construction of any of the provisions of this Agreement.

18. Execution in Counterparts. This Agreement may be executed in any number of counterparts, including by facsimile or other means of electronic transmission, each of which, when so executed, shall be deemed to be an original and all of which, taken together, shall constitute one and the same agreement.

Remainder of this page left intentionally blank. Signature page to follow.

CHURCH OF THE ROCK, INC.
D/B/A THE ROCK

By: 

Printed Name: Micah Polhemus

Its: Lead Pastor

Date: 6/11/2025

THE TOWN OF CASTLE ROCK

Signed by:
By: 

1BB5457CFF75414...
Printed Name: David L. Corliss

Its: Town Manager

Date: 6/9/2025 | 4:01 PM MDT

6ft wood privacy
fencing to provide
screening



EXHIBIT 2

JOINT STATEMENT

On May 13, 2024, the Church of the Rock ("the Rock") filed a federal lawsuit against the Town of Castle Rock, Colorado, in the United States District Court for the District of Colorado. The Rock sought and received a court order enjoining the Town from enforcing its land-use laws to prohibit the Rock's operation of its On-Site Temporary Shelter Ministry, through which the Rock provides shelter to those in need in trailers on its property, during the pendency of the case.

Since the Court issued its injunction order, the Rock and the Town have sought to resolve this dispute without further litigation. As part of those efforts, on December 2, 2024, the Town issued a revised Letter of Determination that explicitly permits the Rock to operate its On-Site Temporary Shelter Ministry in the two trailers currently located on the Rock's property and clarifies that the applicable Planned Development zoning regulations do not prevent the Rock from providing additional shelter during public emergencies through its partnership with the Red Cross.

The Town and the Rock now wish to inform the public that they have reached an agreement intended to end the current litigation and settle issues regarding the future use of the Rock's property to provide temporary housing to those in need. As part of this agreement, a new Letter of Determination will permit the Rock to operate its On-Site Temporary Shelter Ministry located in its existing parking lot. The Town has the option to install additional fencing or landscaping to partially screen the location of the units from the surrounding neighborhood in accordance with the terms of the agreement.

The Town acknowledges the Rock's invaluable services to the Castle Rock community through its longstanding efforts to provide support for those members of our community most in need. The Rock acknowledges its responsibilities as a good neighbor and looks forward to working in partnership with the Town while providing those services. The Town and the Rock believe that this agreement is in the best interest of all parties and successfully balances the Rock's religious free-exercise rights with the Town's public interest in enforcing land use regulations and protecting the general welfare, public health, and safety. The Town and the Rock are no longer in an adversarial posture in regard to the litigation and look forward to productive cooperation and potential partnerships on issues in the future.