MOFFAT ECONOMIC DEVELOPMENT AUTHORITY

ESTABLISHMENT AGREEMENT

BY AND BETWEEN

CITY OF CRAIG, COLORADO

AND

MOFFAT COUNTY, COLORADO

DATED AND EFFECTIVE:

AUGUST 12, 2025

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APPENDIX A – GUIDING PRINCIPLES

MOFFAT ECONOMIC DEVELOPMENT AUTHORITY
ESTABLISHMENT AGREEMENT

THIS **MOFFAT ECONOMIC DEVELOPMENT AUTHORITY ESTABLISHMENT AGREEMENT** (this "**Establishment Agreement**") is made and entered into this 12th day of August, 2025 (the "**Effective Date**") by and between the **CITY OF CRAIG** (the "**City**") and **MOFFAT COUNTY** (the "**County**") (collectively, the "**Parties**"), both being municipal corporations and political subdivisions of the State of Colorado (the "**State**").

RECITALS

A. Pursuant to the Colorado Constitution, Article XIV, Sections 18(2)(a) and (b), and Section 29-1-203, C.R.S., cities and counties of the State may cooperate or contract with each other to provide any function, service, or facility lawfully authorized to each, and any such contract may provide for the sharing of costs.

B. Pursuant to Section 29-1-203.5, C.R.S., cities and counties may contract with one another to establish a separate legal entity as a political subdivision and public corporation of the State for the joint exercise of any function, service, or facility lawfully authorized to each.

C. The Parties have entered into an Unopposed Comprehensive Settlement Agreement dated as of June 27, 2024 (the "**Settlement Agreement**""), with Tri-State Generation and Transmission Association, Inc., Highline Electric Association, Poudre Valley Rural Electric Association, Inc., Y-W Electric Association, Inc., Interwest Energy Alliance, Trial Staff of the Colorado Public Utilities Commission, the Office of the Utility Consumer Advocate, the Colorado Energy Office, the Office of Just Transition, the Colorado Solar and Storage Association, the Solar Energy Industries Association, the Colorado Independent Energy Association, Sierra Club, the Natural Resources Defense Council, and Western Resource Advocates (each a "**Settling Party**,**"** and collectively the "**Settling Parties**") and filed with the Public Utilities Commission of the State as part of proceeding No. 23A-0585E.

D. Under the terms of the Settlement Agreement, the Parties are to receive from time to time certain funds from the Settling Parties (the "**Settlement Funds**") as compensation for the economic impact on the area and residents of the City and the County (the "**Community**") caused by the closure of a coal-fired power generation facility and local mines (the "**Decommissioned Facilities**").

E. The Parties, or the Authority, may from time to time receive funds from others ("**Other Parties**") by way of gifts, grants, donations, bequests, settlement proceeds or otherwise, and may from time to time determine that such funds received from Other Parties are to be dedicated to Economic Development Incentives, as defined below ("**Other Funds**").

F. The Parties wish to receive, hold, and invest the Settlement Funds and Other Funds, and to use the Earnings (as defined herein) to fund programs (which may include grants, loans and other lawful use of the Earnings as determined by the Authority Board from time to time) to encourage businesses and individuals to create new Primary Jobs (as defined herein) and increase the property tax base in the County to offset the employment and county property tax losses from the closure of the Decommissioned Facilities (the "**Economic Development Incentives**").

G. The Parties agree that the coordinated investment of the Settlement Funds and Other Funds and the creation, management, and deployment of the Economic Development Incentives will promote the health, safety, prosperity, security, and general welfare of the Community and will benefit the residents of the Community and will carry out the purposes and intent of the Settlement Agreement and the Guiding Principles.

H. The Parties desire to establish the Moffat Economic Development Authority (the "**Authority**"), which shall receive, hold, invest and apply the Fund (as defined herein) to create, manage, and deploy Economic Development Incentives.

I. The Parties have approved certain guiding principles dated as of January 27, 2025, which are attached hereto as Exhibit A (as the same may be amended from time to time by agreement of the Parties, the "**Guiding Principles**") establishing the basic principles that will regulate the Authority's operations and its investment, management, and deployment of the Fund.

J. The Parties intend by entering into this Establishment Agreement that the Authority hereby created be a body corporate and political subdivision for federal income tax purposes and for state law purposes, with the duties and immunities set forth in part 1 of Article 10, Title 24, C.R.S., as amended.

K. The Parties desire to set forth their agreement regarding the creation of the Authority and the implementation of guidelines and objectives set forth in the Guiding Principles.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants in this Establishment Agreement, the Parties agree as follows:

ARTICLE I GENERAL PROVISIONS

1.1 Interpretation. This Establishment Agreement shall be subject to the following rules of interpretation:

(a) The terms "herein", hereunder", "hereby", "hereto", "hereof", and any similar terms, refer to this Establishment Agreement as a whole, including all exhibits, addenda, and amendments, and not to any particular article, section, or subdivision of this Establishment Agreement unless otherwise specifically stated to the contrary.

(b) All definitions and terms shall include both the singular and the plural, and all capitalized words or terms shall have the definitions set forth in the Recitals and, to the extent they are no defined somewhere else in this Establishment Agreement, in Section 2.1 hereof.

(c) The captions or headings of this Establishment Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Establishment Agreement.

1.2 Effective Date; Perpetual Existence of Authority. This Establishment Agreement shall be effective as of the Effective Date. It is the intent of the Parties that the Authority shall have perpetual existence.

1.3 Guiding Principles. The Parties agree that this Establishment Agreement is to be interpreted in a manner consistent with the statements of intention set forth in the Guiding Principles.

1.4 Incorporation of Recitals. The Recitals set forth above are incorporated into the body of this Establishment Agreement by this reference.

ARTICLE II DEFINITIONS

2.1 Definitions. As used in this Establishment Agreement, unless the context indicates otherwise, the words and terms defined below and capitalized throughout the text of this Establishment Agreement shall have the meanings set forth below.

"Administrative Costs" shall mean the costs incurred by the Authority for the purpose of providing Administrative Services.

"Administrative Services" shall mean the administration and operation of the Authority, including, but not limited to, compliance with this Establishment Agreement and applicable laws and obtaining governmental approvals, establishing, maintaining and implementing Economic Development Incentives, establishing, maintaining and administering the Fund (and the Accounts and subaccounts therein), noticing, conducting and reporting of meetings, and all other administrative, legal, financial, accounting, auditing, investment advisory, office and information technology services (including hardware, software and subscriptions), maintenance of insurance, travel, and other operational requirements of the Authority, whether such services are provided by the Authority directly or by a third-party provider engaged by the Authority.

"Alternative Member" shall mean a Board Member appointed pursuant to Section 3.3(a)(iii) of this Establishment Agreement.

"Annual Report" shall mean the report prepared by the Authority pursuant to Section 7.4 of this Establishment Agreement.

"Authority" shall mean the Moffat Economic Development Authority, established pursuant to this Establishment Agreement.

"Authority Board" shall mean the Board of Directors of the Authority.

"Board Meeting" shall mean a regular or special meeting of the Authority Board convened pursuant to Section 3.4(e) herein.

"Board Members" shall mean members of the Authority Board appointed pursuant to Section 3.3 of this Establishment Agreement.

"Budget Committee" shall have the meaning assigned to it in Section 7.2 hereof

"Bylaws" shall mean any bylaws adopted by the Authority Board, as the same may be amended from time to time. In the absence of any bylaw(s) adopted by the Authority

Board or addressing a particular circumstance or interpretation of bylaws adopted by the Authority Board, the Authority Board and any committees established by the Authority Board shall refer to Robert's Rules of Order.

"City" shall mean the City of Craig, Colorado.

"Community" shall have the meaning set forth in the Recitals to this Establishment Agreement.

"Conciliation Budget" shall have the meaning assigned to it in Section 7.2 hereof.

"CORA" shall mean the Title 24, Article 72 C.R.S, also known as the Colorado Open Records Act, as it may be amended from time to time

"County" shall mean Moffat County, Colorado.

"C.R.S." shall mean the Colorado Revised Statutes as such statutes are amended from time to time. In the event of a repeal of a statute cited herein, the procedure contained in the statute immediately prior to repeal shall apply; provided, however, that if such repealed statute is replaced by another statute, then the new statute shall apply.

"Earnings" shall mean the interest, capital gains, and any other increase in the value of amounts on hand in the Fund above the aggregate principal amount of Settlement Funds and Other Funds deposited into, and not withdrawn from, the Permanent Account.

"Economic Development Incentives" shall have the meaning set forth in the Recitals to this Establishment Agreement.

"Economic Development Policy" shall mean the economic development policy approved by the Authority pursuant to Section 6.1, as amended from time to time.

"Economic Development Project" shall mean a project of a business or individual (which may include either or both of the Parties) for which Economic Development Incentives may be provided in exchange of certain job creation or economic development and/or other economic development targets from time to time deemed by the Authority Board to be in furtherance of the Guiding Principles and this Establishment Agreement. For the avoidance of doubt, an Economic Development Project shall not include any funding of operational expenses of the Parties.

"Establishment Agreement" shall mean this Moffat Economic Development Authority Establishment Agreement and any exhibits, addenda, and amendments hereto made in accordance herewith.

"Event of Default" shall mean any one or more of the events or the existence of one or more of the conditions set forth in Section 10.1 hereof.

"Fees" shall mean any type of charge by the Authority to any business or individual requesting or benefiting from Economic Development Incentives, including, without

limitation, application fees, review fees, fees for legal, accounting and other professional fees, fees and charges relating to any third-party reports, and any other fees, charges or expenses incurred by the Authority (which may include, as deemed advisable, an allocated portion of Administrative Costs) in connection with its consideration or deployment of Economic Development Incentives.

"Final Budget" shall mean the final budget in any Fiscal Year (including such budget as it may be amended within the Fiscal Year), as established and approved by the Authority Board and a Supermajority Approval of the Parties in accordance with Article VII hereof.

"Fiscal Year" shall mean the fiscal year of the Authority, which shall begin on January 1 and end on December 31 of each year.

"Formation Period" shall mean the period starting on the Effective Date and ending on the first date the Funding Account reaches a balance of one million dollars after excluding all the amounts required to pay the Administrative Costs of the Authority for the applicable Fiscal Year, including those costs budgeted but not yet incurred.

"Fund" shall mean the account established under Section 5.1 of this Establishment Agreement, in which there is established the Permanent Account and the Funding Account.

"Funding Account" shall mean the Account within the Fund established under Section 5.1 of this Establishment Agreement.

"Governing Body" or "Governing Bodies" shall mean, (i) when applied to the Authority, the Authority Board, (ii) when applied to the City, the City Council of the City, (iii) when applied to the County, the Board of County Commissioners of the County, (iii) when applied to the School District, the Board of Education of the School District.

"Initial Deposit" shall mean a transfer of $5,000 from each of the Parties, to the Authority to be deposited in the Funding Account to cover initial Administrative Costs.

"Investment Advisor" shall mean a qualified municipal advisor selected and engaged by the Authority for the purpose of advising the Authority as to the prudent and lawful investment of the Fund in accordance with the Investment Policy and applicable law for the purposes of carrying out this Establishment Agreement.

"Investment Policy" shall mean the investment policy approved by the Authority Board pursuant to Section 5.2, as this may be amended from time to time.

"Parties" shall mean the City and the County; and "Party" shall mean the City or the County.

"Permanent Account" shall mean the Account within the Fund established under Section 5.1 of this Establishment Agreement.

"Preliminary Budget" shall have the meaning assigned to it in Section 7.1 hereof.

"Presentation Budget" shall have the meaning assigned to it in Section 7.1 hereof.

"Primary Job" shall mean a job that is available at a company for which a majority of the products or services of that company are ultimately exported to regional, statewide, national, or international markets infusing new dollars into the local economy.

"School District" shall mean Moffat County School District RE 1, in the State of Colorado.

"Sunshine Law" shall mean Title 24, Article 6, Part 4, C.R.S., as amended.

"Supermajority Approval of the Parties" means: (a) the approval of two (2) or more of the three (3) members of the Governing Body of the County, and (b) the approval of five (5) or more of the seven (7) members of the Governing Body of the City.

ARTICLE III ESTABLISHMENT OF AUTHORITY

3.1 Establishment of Authority. The Authority is organized as a separate legal entity and a political subdivision and public corporation of the State of Colorado pursuant to the power of Article XIV of the Colorado Constitution and in conformity with the provisions of Sections 29-1- 203 and 203.5, C.R.S.

3.2 Purpose. The purpose of the Authority is the indefinite preservation of the Settlement Funds and Other Funds, the development of a framework for Economic Development Incentives, and the deployment of Economic Development Incentives to benefit of the Community. By the establishment of the Authority, the Parties will be able to achieve efficiencies in coordinating the investment of the Settlement Funds and Other Funds and the deployment of the Earnings and other available moneys to promote the creation of new Primary Jobs in the Community and the increase in the property tax base of the County.

3.3 Authority Board.

(a) Membership. The Authority shall be governed by the Authority Board consisting of five (5) Board Members, established as follows:

(i) Initial Board. The initial Board Members of the Authority shall be as follows: (A) two (2) Board Members shall be appointed by the County pursuant to the resolution of the Governing Body of the County authorizing the execution of this Establishment Agreement, one of which Board Members shall have an initial one-year term, and the other of which shall have a three-year term; (B) two (2) Board Members shall be appointed by the City pursuant to the resolution of the Governing Body of the City authorizing the execution of this Establishment Agreement, one of which shall have an initial one-year term, and the other of which shall have an initial three-year term; and (C) one (1) Board Member shall be appointed by the School District pursuant to a resolution of the School District; provided if the School District declines or fails to appoint a Board Member within 60 days following the Effective Date of this Establishment Agreement, the remaining Board Members, with Supermajority Approval of the Parties, may

appoint a Board Member to fill such Authority Board position for the initial two-year term.

(ii) Subsequent Board Members. Following the expiration of the terms of office of the initial Board Members (or upon any resignation or vacancy of such Authority Board Positions), subsequent Board Members shall be appointed as follows:

(1) Two (2) Board Members Appointed by County. The County shall by resolution of its Governing Body appoint its two (2) Board Members to the Authority Board. One of such Board Members may be a seated County Commissioner or any resident of the Community appointed by the County Commission. The other Board Member must be a resident of the Community appointed by the County Commission. Any resident of the Community appointed by the Governing Body of the County to be a Board Member shall be selected following County procedures.

(2) Two (2) Board Members Appointed by City. The City shall by resolution of its Governing Body appoint its two (2) Board Members to the Authority Board. One of such Board Members may be a seated member of the City Council or any resident of the Community appointed by the City Council. The other Board Member must be a resident of the Community appointed by the City Council. Any subsequent resident of the Community appointed by the City Council to be a Board Member shall be selected following City procedures.

(3) One (1) Board Member Appointed by School District. At least 30 days prior to the expiration of each term of a Board Member appointed pursuant by the School District (including the initial Board Member appointed pursuant to Section 3.3(a)(i)), the School District may appoint one (1) Board Member to the Authority Board by resolution of its Governing Body. Such Board Member may be a seated member of the Board of Education of the School District or any resident of the Community appointed by the Board of Education of the School District in accordance with School District procedures. In the event that the School District fails to appoint a Board Member and notify the Authority in writing of such appointment (including name and contact information) within 30 days after the expiration, resignation or vacancy of the term of any Board Member appointed by the School District, as applicable), the Authority Board may, with Supermajority Approval of the Parties, appoint an alternative Board Member (the "Alternative Member"). Such Alternative Member may be a seated member of the City Council, a seated County Commissioner, a member of the Board of Education of the School District or any resident of the Community. The term of an Alternative Member on the Authority Board shall extend through the end of the otherwise-applicable term of the Board Member which would have been appointed by the School District. At the end of such term, the School District shall once again have the right to

appoint a Board Member for the following term in accordance with and subject to this Section 3.3(a)(ii)(3).

(b) Eligibility. Each Board Member must be a legal resident and registered voter of the Community. The Parties shall endeavor to, but shall not be required to, seek participation on the Authority Board from Members of the Community which are representatives of financial institutions (such as an experienced employee or a board member of a bank, investment bank, or other financial enterprise).

(c) Notification. Each Party shall provide the Authority Board with written documentation evidencing the appointment of its appointed Board Member, together with the name and contact information for each appointed Board Member.

(d) Vacancies. In the event of a vacancy on the Authority Board, whether by expiration of term, resignation, death, disqualification, or any other reason, the applicable Party (or the School District, as applicable) shall appoint a successor Board Member within 30 days of such vacancy.

(e) Term. Each Board Member's term on the Authority Board shall be three (3) years. Initial Board Members shall have staggered terms as provided in Section 3.3(a)(i). There shall be no limit on the number of consecutive terms a Board Member may serve on the Authority Board.

(f) Compensation. Board Members may not receive compensation from the Authority for their service as a Board Member. However, Board Members may be reimbursed by the Authority for any reasonable expenses incurred while performing their duties and any required activity as Board Members. The Authority Board shall adopt an expense reimbursement policy implementing this provision before any compensation is paid to any Board Member.

(g) Meetings.

(i) Regular meetings of the Authority Board shall be held at such place, on such date, and at such time as the Authority Board shall, by resolution or motion, establish from time to time. All meetings shall be subject to the Sunshine Act.

(ii) At least four meetings of the Authority Board, one for each calendar quarter, shall be held annually.

(iii) At least once each quarter, the agenda for meetings of the Authority Board shall include opportunity for public comment.

(iv) Special meetings of the Authority Board may be held at such place, on such day, and at such hour as the Authority Board may determine in accordance to its Bylaws.

(v) Notices of all meetings of the Authority Board shall meet the same requirements as the notices of meetings held by the governing bodies of the Parties.

(vi) Action of the Authority Board shall be taken at a duly noticed regular or special meeting.

(h) Quorum. A Quorum is established by three (3) Board Members being present at a meeting of the Authority Board. Board Members may be present via electronic means as authorized by law. If less than three (3) Board Members are present at a meeting of the Authority Board, the Secretary or other officer may continue the Meeting to a different time and place, and in such case the Secretary shall notify absent Board Members of the time and place of such continued Meeting.

(i) Voting.

(i) Each serving Board Member shall have one vote.

(ii) Voting by proxy is prohibited.

(iii) In the event a vacancy is not filled as described herein, that Board Member's vote, which was caused by such vacancy, shall be waived on any matter coming before the Authority Board and the related voting requirement, if any, shall be reduced, until such time as the vacancy is filled. No meeting shall be held with less than three (3) Board Members being present, vacancies notwithstanding.

(j) Conflict Disclosures. All Board Members shall disclose conflicts of interest as required of officers or board members of the Parties in accordance with applicable State law, as the same may be amended from time to time. Board Members who are interested (either personally, or through employment or board service on other interested organizations) in a specific Economic Development Project must disclose such interests to the Authority Board and may not vote on any matter affecting such Economic Development Project.

(k) Oath. Each Board Member shall take an oath of office in accordance with the applicable laws of the State.

3.4 Officers. The officers of the Authority shall be a President, a Vice-President and a Secretary-Treasurer (individually, an "**Officer**", and collectively, the "**Officers**"). The Authority Board may from time to time establish additional temporary or permanent Officers of the Authority by resolution of the Authority Board. Each Officer shall be a Board Member, and shall be approved by a majority vote of the Authority Board. Officers shall serve terms in office of one (1) year, coextensive with the Fiscal Year of the Authority. Officers may be re-elected by the Authority Board to the same or different Officer position, and there shall be no limit on the number of consecutive terms an Officer may hold any office. In addition to the duties designated by the Authority Board, the duties of the Officers shall include:

(a) The President shall preside at all meetings of the Authority Board and, except as otherwise delegated by the Authority Board or provided in this Establishment Agreement, shall execute all legal instruments of the Authority.

(b) The Vice-President shall, in the absence of the President, or in the event of the President's conflict or inability or refusal to act, perform the duties of the President and shall have all the powers of and be subject to all restrictions upon the President.

(c) The Secretary-Treasurer shall maintain the official records of the Authority, including the minutes of meetings of the Authority Board, and a register of the names and addresses of the Parties, Board Members, and Officers, and shall issue notice of meetings, attest and affix the corporate seal, as applicable, to all documents of the Authority, and perform such other duties as the Authority Board may prescribe from time to time. The Secretary-Treasurer also shall serve as financial officer of the Authority.

(d) Other Officers, if any, shall have the duties provided in the resolution of the Authority Board creating the office of such Officer.

3.5 Committees. The Authority Board may establish such committees as the Authority Board deems necessary or appropriate for the purposes of carrying out the purposes and intent of this Establishment Agreement. The purposes of such committees, whether they are standing or ad hoc committees, the eligibility for membership on such committees, shall be set forth in the Bylaws and/or may be established by resolution of the Authority Board. Committees shall not have the authority to act on behalf of the Authority Board or the Authority, but shall report findings and recommendations to the Authority Board for consideration in accordance with this Establishment Agreement, the Bylaws and (if applicable) the specific resolution implementing such committee.

3.6 Powers; Reserved Powers. In general, the Authority shall have the power to exercise all powers which are now or may in the future be conferred by law upon a political subdivision and public corporation organized pursuant to Sections 29-1-203 and 29-1-203.5, C.R.S., or essential to the provision of its functions, services, and facilities, subject to such limitations as are or may be prescribed by law or in this Establishment Agreement. In accordance with Subsection 29-1-203.5(2)(a), C.R.S., the Authority is expressly authorized to exercise any general power of a special district specified in Part 10 of Article 1, Title 32, C.R.S., so long as each of the Parties may lawfully exercise the power; provided, however, that pursuant to Subsection 29-1-203.5(2)(b), C.R.S., the Authority may not levy a tax or exercise a power of eminent domain. The Authority is further authorized to exercise the powers established in Subsection 29-1-203.5(3), C.R.S. To the extent permitted by law and subject to the limitations set forth in this Establishment Agreement, the powers and duties of the Authority Board, which shall be exercised by approval of a majority of the present and voting Board Members, unless otherwise specified in this Establishment Agreement, include, without limitation, the following:

(a) To establish such Bylaws, rules, regulations, procedures, and policies as may be reasonably necessary for the administration of the Authority, manage and invest the Settlement Funds and Other Funds, and create, deploy, and manage the Economic Development Incentives.

(b) To provide for and design, manage, and finance the Economic Development Incentives according to the procedures set forth in this Establishment Agreement and any policies approved by the Authority in relation thereto.

(c) To cooperate with other governmental entities with respect to the Economic Development Incentives and the Settlement Funds and Other Funds.

(d) To receive and invest the Settlement Funds and Other Funds, as these may be distributed from time to time by the Settling Parties and the Other Parties (as applicable), and any other contributions provided by public or private entities to be used for the provision of Economic Development Incentives.

(e) To determine the Final Budget for the Authority and submit the same to the Parties for Supermajority Approval of the Parties.

(f) To enforce the terms of any contract entered to as part of an Economic Development Project, including, as applicable, the recovery of any Economic Development Incentives from the recipient thereof.

(g) To conduct the businesses and affairs of the Authority in the best interests of, and for the benefit of, the Community and its residents.

(h) To enter into, make, and perform contracts of every kind with the Parties, including the agreements attached to this Establishment Agreement, the United States, any state or political subdivision thereof, or any county, city, town, municipality, city and county, any special district formed pursuant to Title 32, C.R.S., or any predecessor thereof, authority, or any person or individual, firm, association, partnership, corporation, or any other organization of any kind with the capacity to contract for any of the purposes contemplated under this Establishment Agreement.

(i) To establish, charge and collect Fees.

(j) To employ agents and employees, and engage accountants, attorneys, engineers, and other consultants and to appoint officers of the Authority.

(k) To sue and be sued in the name of the Authority.

(l) To have and use a corporate seal.

(m) To generate an Annual Report directed to the Parties and the Community informing on the performance of the investment of the Fund and the Accounts therein, the progress of plans for and deployment of Economic Development Incentives, and the impact on the Community of Economic Development Projects, as described in Section 7.4.

(n) To keep minutes of the Authority Board's meetings.

(o) To ensure compliance with all Colorado statutes that apply to the Authority, including the provisions of Parts 1 (Local Government Budget Law of Colorado), 5 (Local Government Uniform Accounting Law), and 6 (Local Government Audit Law) of Article 1, Title 29, C.R.S., the Sunshine Law and CORA.

(p) To enter into agreements with loan servicers to manage a portion or all the loans provided by the Authority to Economic Development Projects.

Provided, however, that the Authority Board may not take any of the following actions without a Supermajority Approval of the Parties:

(i) Approval of Investment Policy (and any modifications thereto);

(ii) Adoption of Final Budget;

(iii) Approval of any Economic Development Project requiring the disbursement of funds from the Funding Account during the Formation Period; and

(iv) Approval of any Economic Development Project requiring the lending or temporary deployment of any portion of the Permanent Account in accordance with Section 8.2 hereof.

3.7 No Private Inurement. No part of the assets or net earnings of the Authority shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Authority shall be authorized and empowered: (a) to deploy Economic Development Incentives, and (b) to make reimbursement in reasonable amounts for expenses actually incurred in exercising the powers or carrying out the purposes of the Authority.

ARTICLE IV ADMINISTRATIVE SERVICES

4.1 Administrative Services. The Authority, by and through the appropriate Officers, employees, or agents, shall perform the following administrative services:

(a) Serving as the "official custodian" and repository for the Authority's records, files space, incidental office supplies and photocopying, meeting, and reception services.

(b) Coordination of all Board meetings, to include: preparation and distribution of agenda and information packets; preparation and distribution of meeting minutes; preparation, filing, and posting of legal notices required in conjunction with the meeting; and other details incidental to meeting preparation and follow-up.

(c) Ongoing maintenance of an accessible, secure, organized, and complete filing system for the Authority's official records.

(d) Monthly preparation of checks and other disbursements and coordination of postings.

(e) Periodic coordination for financial report preparation and review of financial reports.

(f) Insurance administration, including evaluating risks, comparing coverage, processing claims, completing applications, monitoring expiration dates, processing

routine written and telephone correspondence, etc. Ensure that all contractors and subcontractors maintain required coverage for the applicable Authority's benefit.

(g) Budget preparation, including preparation of proposed budgets, preparation of required and necessary publications, legal notices, resolutions, certifications, notifications, and correspondence associated with the adoption of the annual budget and provision of Economic Development Incentives.

(h) Response to inquiries, questions, and requests for information from the Parties and residents of the Community.

(i) Analysis of financial condition and alternative financial approaches and supervision of contractors.

(j) Oversee investment of each Authority's funds, including the Fund and the Accounts therein, based on investment policies established by the Investment Policy in accordance with State and federal law and the Guiding Principles.

(k) Provide liaison and coordination with other governments.

(l) Coordinate activities and provide information as requested to external auditors engaged by the Authority Board.

(m) Coordinate legal, accounting, and other professional services to the Authority.

(n) Perform other services with respect to the operation and management of the Authority as directed by the Authority Board.

ARTICLE V COMMUNITY ECONOMIC DEVELOPMENT FUND; INVESTMENT POLICY

5.1 Community Economic Development Fund. There is hereby established a special fund of the Authority designated as the "Community Economic Development Fund" (referred to herein as the "Fund"). Within the Fund, there are hereby established and shall be maintained the following accounts (each, an "Account"):

(a) *Permanent Account.* The Parties shall transfer, or cause to be transferred, all Settlement Funds and Other Funds, as these may be distributed from time to time by the applicable Settling Parties and Other Parties (as applicable) to the Authority for deposit into the Permanent Account. Except for the transfers of Earnings as provided in Section 5.1(b) and the utilization of amounts on hand in the Permanent Account for Economic Development Incentives to the extent provided in Section 8.2, no funds shall be transferred from the Permanent Account or applied to any other purpose.

(b) *Funding Account.* The Authority shall transfer on a monthly basis all Earnings attributable to the Permanent Account to the Funding Account. All Earnings on funds in the Funding Account shall remain in the Funding Account. Amounts from time to

time on hand in the Funding Account may be used as determined by the Authority Board to pay the costs and expenses of the Authority and to fund Economic Development Incentives.

(c) *Subaccounts.* The Authority Board may establish such subaccounts within the Accounts as may be deemed necessary or advisable by the Authority Board.

5.2 Investment Policy. Prior to investing any amounts on hand in the Fund or deploying any Economic Development Incentives or granting assistance to any Economic Development Project, the Authority Board shall, subject to Supermajority Approval of the Parties, approve by resolution an Investment Policy describing the Authority's investment strategy and goals for the Fund and the Accounts therein in accordance with the Guiding Principles, sound and prudent investment policies, and applicable laws. The Investment Policy shall contemplate the investment of public funds with a goal of no net loss in principal. The Authority shall invest the amounts deposited in the Fund in accordance with the Investment Policy and applicable federal and State law.

ARTICLE VI ECONOMIC DEVELOPMENT INCENTIVES

6.1 Economic Development Policy. Prior to deploying any Economic Development Incentives or approving any kind of assistance to any Economic Development Project, the Authority Board shall approve via resolution an Economic Development Policy describing Economic Development Incentives eligibility requirements, the application process to receive said Economic Development Incentives, and any other provisions related thereto.

6.2 Disbursements. The Authority Board shall have the sole authority to withdraw moneys from the Funding Account for use in the payment of Administrative Costs and, after the end of the Formation Period, funding of Economic Development Incentives as specified by the Final Budget for the Authority. Such funds, together with any interest thereon, shall be used only to pay Administrative Costs incurred by the Authority and the deployment of Economic Development Incentives. The Authority shall provide each Party with an annual audit reflecting funds withdrawn and payments made from the Funding Account. The Authority Board may authorize disbursements from the Permanent Account in accordance with Section 8.2.

ARTICLE VII BUDGETS; APPROPRIATION AND ANNUAL REPORTS

7.1 Budget Committee; Budget Development and Adoption.

(a) *Preliminary Budget*. The Authority shall prepare an annual budget for each Fiscal Year (the "Preliminary Budget"), which will include all budgeted revenues and expenses for such Fiscal Year. The Preliminary Budget shall distinguish administrative expenses from programmatic expenses (including Economic Development Incentives). The Preliminary Budget shall be provided to the Budget Committee (as defined in Section 7.1(b)) on or before October 1 of each year.

(b) *Budget Committee; Review of Preliminary Budget*. Before October 1 of each year, each Party shall designate by written notice to the Authority three (3) representatives to serve on a joint intergovernmental budget committee (the "Budget Committee"). The Budget

Committee shall convene no later than October 10 of each year to review, evaluate and revise the Preliminary Budget. The Preliminary Budget, as revised and approved by the Budget Committee, shall be designated the "Presentation Budget".

(c) *Presentation Budget – Approval by Authority Board.* The Treasurer of the Authority, or his or her designee, shall present the Presentation Budget to the Authority Board for consideration on or before October 15 of each year. Prior to the consideration of the Presentation Budget by the Authority Board, the Secretary of the Authority shall publish notice of the Presentation Budget and the place, date and time of the public hearing on its adoption in accordance with the Local Government Budget Law of Colorado.

(d) *Approval of Final Budget*. Following review and public hearing, the Authority Board may approve the Presentation Budget by resolution. Upon approval, the Treasurer (or designee) shall forward the Presentation Budget to both Parties for approval, accompanied by a summary of any public comments received. If approved by a Supermajority Approval of the Parties, the Presentation Budget shall become the "Final Budget" for the applicable Fiscal Year.

(e) *Contingency Procedures*. If a Final Budget is not approved by the Authority Board and a Supermajority Approval of the Parties on or prior to December 31, the Authority shall be limited to appropriating funds for operation and maintenance expenses in accordance with State law until a Final Budget is approved. No new Economic Development Incentives may be approved or disbursed until a Final Budget is approved; provided, however, previously approved Economic Development Incentives that are subject to existing contracts may continue to be funded without interruption, subject to the availability of funds.

7.2 Budget Reconciliation. If a Final Budget is not approved by December 31 of any Fiscal Year, the Budget Committee shall reconvene (the "Reconciliation Meeting") by January 15 of the following year. At the Reconciliation Meeting, the Budget Committee shall consider input and concerns from both Parties and shall further revise the Presentation Budget to address such input in a manner deemed by the Budget Committee to be reasonably responsive to such input and concerns. The Presentation Budget, as so revised, shall be designated the "Conciliation Budget". Upon approval by the Budget Committee, the Conciliation Budget shall be presented promptly to the Authority Board for approval, and if approved by the Authority Board, shall be submitted promptly to the Parties for Supermajority Approval of the Parties. Once approved by the Authority Board and Supermajority Approval of the Parties, the Conciliation Budget shall be the "Final Budget". If not so approved, the reconciliation process described in this Section 7.2 shall continue iteratively until a Final Budget is adopted in accordance this Article VII.

7.3 Amendment of Final Budget. The Final Budget may be amended from time to time, subject to compliance with the applicable provisions of State law. Amendments to the Final Budget are subject to approval in accordance with the processes set forth in Sections 7.1 (and 7.2 as applicable), except that the Authority Board may establish reasonable alternative deadlines to facilitate timely approvals.

7.4 Annual Reports. Not later than May 31 of each year, the Authority Board shall provide to each of the Parties an annual report (the "Annual Report"), which shall include:

(a) A financial summary of Settlement Funds, Other Funds, Earnings and Fees received or expended;

(b) A summary of Economic Development Incentives approved and implemented, including the number, type and purposes thereof;

(c) An assessment of the economic and employment impacts on the Community of the Economic Development Incentives;

(d) Any additional information deemed relevant by the Authority Board relating to Fund performance and programmatic outcomes.

Each Party shall make the Annual Report available for public inspection in accordance with applicable State law.

ARTICLE VIII SPECIAL PROVISIONS

8.1 Rights of the Authority. Subject to the limitations of this Establishment Agreement, and subject to reasonable advance notice, request, and availability of facilities and resources, the Parties may grant the Authority access to the Parties' fleet vehicles, legal staff and other employees of the Parties, and any other assets within the control of the Parties to enable the Authority to provide the Economic Development Incentives and Administrative Services. Employees of the Parties may be authorized by the Authority Board to act as representatives of the Authority for the purpose of establishing and maintaining Authority Board-approved bank or investment accounts and credit cards or other lines of credit, and to perform other Authority Board-approved financial transactions in the name of the Authority under the supervision of the Secretary-Treasurer and within applicable limitations of the approval of the Authority Board. The Parties may grant the Authority the right to occupy any place, public or private, which the Parties might occupy for the purpose of fulfilling the obligations of the Authority in this Establishment Agreement. To implement the foregoing, the Parties agree to exercise such authority and to do such acts as may be reasonably requested by the Authority; provided that the Parties may request, and the Authority shall pay from and to the extent of available funds in the Funding Account, reimbursement for those expenses reasonably incurred by the Parties as a result of this Section.

8.2 Funding of Administrative Costs. Administrative Costs shall be paid from Earnings (or, to the extent applicable, from Fees charged to recipients of Economic Development Incentives) in accordance with the Final Budget.

8.3 Use of Permanent Account for Economic Development Incentives. The Authority may use Settlement Funds or Other Funds in the Permanent Account to provide assistance to an Economic Development Project after receiving approval of the Authority Board and a Supermajority Approval of the Parties; provided that any such use of the Settlement Funds or Other Funds shall be accompanied by a commitment of the recipient to repay such funds on such terms as approved by the Authority Board and shall otherwise comply with the requirements of the Economic Development Policy.

ARTICLE IX REPRESENTATIONS AND WARRANTIES

9.1 General Representations. In addition to the other representations, warranties, and covenants made by the Parties in this Establishment Agreement, each Party makes the following representations, warranties, and covenants to the other Party:

(a) Each Party has the full right, power, and authority to enter into, perform, and observe this Establishment Agreement.

(b) Neither the execution of this Establishment Agreement, the consummation of the transactions contemplated hereunder, nor the compliance with the terms and conditions of this Establishment Agreement by the Parties will conflict with or result in a breach of any terms, conditions, or provisions of, or constitute a default under any agreement, instrument, indenture, judgement, order, or decree to which a Party is a party or by which a Party is bound.

(c) This Establishment Agreement is a valid and binding obligation of each of the Parties and is enforceable in accordance with its terms.

(d) The Parties shall keep and perform all the covenants and agreements contained in this Establishment Agreement and shall take no action which could render this Establishment Agreement unenforceable in any manner.

ARTICLE X DEFAULTS, REMEDIES, AND ENFORCEMENT

10.1 Events of Default. An Event of Default under this Establishment Agreement shall occur if either Party or the Authority fails to perform or observe any covenants, agreements, or conditions in this Establishment Agreement on the part of such Party and to cure such failure within 30 days of receipt of notice from the other Party or the Authority, as applicable, of such failure; unless such default is reasonably capable of cure but cannot by its nature be cured within such 30-day period, in which case the defaulting Party shall have an extended period of time to complete the cure, provide that action to cure such default is commenced within said 30-day period and the defaulting Party is diligently pursuing the cure to completion not to exceed an additional 90 days.

10.2 Remedies on Occurrence of Events of Default. Upon the occurrence of an Event of Default, the Parties and the Authority shall, individually and collectively, have the following rights and remedies:

(a) The non-defaulting Party(s) or the Authority may ask a court of competent jurisdiction to enter a writ of mandamus to compel the defaulting Party to perform its duties under this Establishment Agreement, and/or to issue temporary and/or permanent restraining orders or orders of specific performance to compel the defaulting Party to perform in accordance with this Establishment Agreement.

(b) The non-defaulting Party(s) or the Authority, or both, may protect and enforce its rights under this Establishment Agreement by such suits, actions, or special proceedings as it shall deem appropriate, including, without limitation, any proceedings for

the specific performance of any covenant or agreement contained in this Establishment Agreement, for the enforcement of any other appropriate legal or equitable remedy, or for the recovery of damages, including attorneys' fees and all other costs and expenses incurred in enforcement this Establishment Agreement.

10.3 General.

(a) Delay or Omission No Waiver. No delay or omission of any Party to exercise any right or power accruing upon any Event of Default shall exhaust or impair any such right or power or be construed as a waiver of any such Event of Default.

(b) No Waiver of One Default to Affect Another; All Remedies Cumulative. No waiver of any Event of Default by any Party shall extend to or affect any subsequent or other Event of Default. All rights and remedies of the Parties and the Authority provided in this Establishment Agreement may be exercised with or without notice, shall be cumulative, may be exercised separately, concurrently, or repeatedly, and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

ARTICLE XI INSURANCE

11.1 Authority Insurance. The Authority shall maintain property, casualty and liability insurance with commercially reasonable coverages, limits and deductibles, taking into account the nature of the Authority's business activities and risks.

11.2 Workers' Compensation. To the extent the Authority has employees, the Authority shall make provisions for workers' compensation insurance, social security employment insurance, and unemployment compensations for employees, if any, as required by federal or State law.

11.3 Certificates. Upon written request, each Party and the Authority shall furnish to the others, certificates of insurance showing compliance with the foregoing requirements. Said certificates shall state that the policy or policies evidenced thereby will not be cancelled or altered without at least thirty (30) days prior written notice to each Party and the Authority.

ARTICLE XII MISCELLANEOUS

12.1 Relationship of Parties. This Establishment Agreement does not and shall not be construed as creating a relationship of joint venturers, partners, or employer-employees between the Parties.

12.2 Modification. This Establishment Agreement may be modified or amended only by the written agreement of the Parties. Any amendment approved in writing by the Parties shall be binding upon the Authority.

12.3 Governing Law; Venue. This Establishment Agreement shall be construed and interpreted in accordance with the laws of the State of Colorado. Venue for all actions shall be exclusive in Moffat County, Colorado.

12.4 Enforceability. If any provision of this Establishment Agreement is declared void or unenforceable by a court of competent jurisdiction, the Party involved in such violation of the Authority, if appropriate, shall, to the extent possible, perform such tasks as may be necessary to cure such violation, including, but not limited to, obtaining any necessary voter approvals.

12.5 Disposition of Property of Authority. In accordance with Section 29-1-203.5(4), C.R.S., notwithstanding the Parties' intention that the duration of the Authority shall be perpetual, upon any dissolution of the Authority, all the Authority's property shall be divided and transferred to, or at the direction of, the Parties as determined by Supermajority Approval of the Properties, subject to any limitations imposed by applicable law.

12.6 Time is of the Essence. Time is of the essence in this Establishment Agreement.

12.7 Notices. Unless otherwise provided below, all notices, demands, requests or other communications to be sent by one Party to the other under this Establishment Agreement shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via Federal Express or other nationally recognized overnight air courier service; by electronic mail, read-review acknowledged; by electronically-confirmed facsimile transmission; or three (3) business days after depositing the same in the United States Mail, postage prepaid; to the following addresses.

If to the City:	300 West 4th Street Craig, Colorado 81625 Attn: City Manager Email: pbrixius@ci.craig.co.us
If to the County:	1198 W. Victory Way, Suite 104 Craig, Colorado 81625 Attn: Chair, Board of County Commissioners Email: tbohrer@moffatcounty.net[1]
If to the Authority:	Moffat Economic Development Authority c/o City of Craig 300 West 4th Street Craig, Colorado 81625 Attn: Mayor and City Manager Email: pbrixius@ci.craig.co.us and Moffat Economic Development Authority c/o Moffat County 1198 W. Victory Way, Suite 104 Craig, Colorado 81625

[1] Consider whether there is an appropriate general email address that will not change with administrations; otherwise, remember that the email addresses for the City, County and Authority will need to be updated as elected officials/personnel change.

Attn: Director of Natural Resources Department
Email: jcomstock@moffatcounty.net

Each of the Parties and the Authority shall have the right to change its individual address from time to time by giving the other Party and the Authority, as applicable, at least 10 days' written notice thereof in accordance with the provisions of this Establishment Agreement. All addresses are to be maintained by the Authority.

12.8 Party Records. The Authority shall maintain the public records for the Authority. Access to such records by the Parties and the public shall be as set forth in the Rules and Regulations.

12.9 Further Assurances. The Parties each covenant that they will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and documents as may be reasonably required for the performance of their obligations under this Establishment Agreement.

12.10 Entire Agreement. This Establishment Agreement and all exhibits set forth the entire understanding and agreement of the Parties and supersede and replace all prior agreements, memoranda, arrangements, and understandings relating to the subject matter of this Establishment Agreement.

12.11 Non-liability of Authority Directors, Members, and Employees. No Board Member or member of the Parties' Government Bodies, or any official, employee, agent, attorney, or consultant of the Parties or the Authority shall be personally liable in the event of default or breach of this Establishment Agreement, or for any amount that may become due under the terms of this Establishment Agreement.

(Signature Page to Follow)

IN WITNESS WHEREOF, the City of Craig and Moffat County have executed this Establishment Agreement as of the day and year first written above.

CITY OF CRAIG, COLORADO

By: _____
Name Chris Nichols
Its: Mayor

Attest:

_____
City Clerk

MOFFAT COUNTY, COLORADO

By: _____
Name Melody Villard
Its: Chair of the Board of County Commissioners

Attest:

_____
County Clerk

EXHIBIT A

GUIDING PRINCIPLES

[TO BE ATTACHED]