

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

RESOLUTION NO. 2015-122

Authorizing Execution of Intergovernmental Agreements to Support Levee Ready Columbia Program.

The Multnomah County Board of Commissioners Finds:

- a. Multnomah County contains 45 miles of levees designed and maintained to reduce the flood risk on the south shore of the Columbia River. The levees form five distinct systems: Sauvie Island Drainage Improvement Company, Peninsula #1, Peninsula #2, Multnomah County Drainage District No. 1, and Sandy Drainage Improvement Company.
- b. Periodically, the condition of the levee systems must be evaluated in order for the system to meet the accreditation requirements of the Federal Emergency Management Agency (FEMA). Meeting FEMA's accreditation requirements enables the homes, businesses and organizations within the protected area to participate in FEMA's National Flood Insurance Program (NFIP). The process of accrediting a levee system within FEMA's NFIP is rigorous. It includes certification from an engineering firm to ensure the levee system protects against a 1-percent-annual-chance flood event, updated operation and maintenance manuals, remaining active in a levee system inspection program, interior drainage models and reports, and more.
- c. Accreditation efforts are coordinated through Levee Ready Columbia. The Levee Ready Columbia project team is comprised of Multnomah County, FEMA, U.S. Army Corps of Engineers, State of Oregon (Governor's Office, Department of Environmental Quality, Land Conservation and Development), METRO, Port of Portland, Cities of Portland, Gresham, Fairview, Troutdale, and Wood Village, Audubon Society, Columbia Slough Watershed Council, Multnomah County Drainage District, Peninsula Drainage Districts Nos. 1 & 2, Sauvie Island Drainage Improvement Co., Sandy Drainage Improvement Co., Jubitz, Bridgeton Neighborhood Association, and East Columbia Neighborhood Association.
- d. Levee Ready Columbia is ready to begin the engineering analysis for SIDIC, MCDD, and SDIC. In order to facilitate the State of Oregon Infrastructure Finance Authority ("IFA") funding and reflect the cooperative nature of the Levee Ready Columbia project, Multnomah County will be the named borrower for the IFA funding.

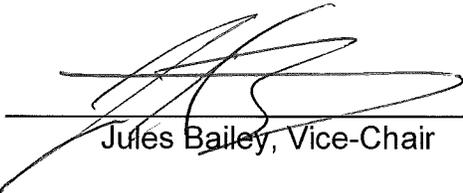
The Multnomah County Board of Commissioners Resolves:

1. The County Chair is authorized to execute the following agreements in substantially the form attached, provided that any modifications may not result in a material increase in the County's obligations or a material decrease in the County's benefits, and authorized to execute any ancillary documents necessary to effectuate the purpose and intent of these agreements.
 - a. Special Public Works Fund Development Project Financing Contract (X16001).
 - b. Special Public Works Fund Development Project Financing Contract (J16002).
 - c. Intergovernmental Agreement for Levee Analysis Cost-Sharing Phase II (SIDIC).
 - d. Intergovernmental Agreement for Levee Analysis Cost-Sharing Phase II (MCDD and SDIC).
 - e. Intergovernmental Agreement for Cost-Sharing of Levee Ready Columbia Expenses Not Covered by IFA Loans.
 - f. Intergovernmental Grant Agreement No. RS1603.
 - g. Intergovernmental Agreement among the County, the City of Fairview, the City of Troutdale, and Port of Portland.

ADOPTED this 3rd day of December, 2015.

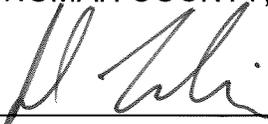


**BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**



Jules Bailey, Vice-Chair

REVIEWED:
JENNY M. MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 

Jed Tomkins, Assistant County Attorney

SUBMITTED BY: Jules Bailey, Multnomah County Commissioner District 1.

SPECIAL PUBLIC WORKS FUND DEVELOPMENT PROJECT
FINANCING CONTRACT

Project Name: Multnomah County Levee Accreditation Evaluation for “Levee Ready Columbia” (Multnomah County Drainage District No. 1 and Sandy Drainage Improvement Company)

Project Number: X16001

This financing contract (“Contract”), dated as of the date the Contract is fully executed, is made by the State of Oregon, acting by and through the Oregon Infrastructure Finance Authority (“IFA”), and Multnomah County (“Recipient”) for financing of the project referred to above and described in Exhibit D (“Project”). This Contract becomes effective only when fully signed and approved as required by applicable law. Capitalized terms not defined in section 1 and elsewhere in the body of the Contract have the meanings assigned to them by Exhibit A.

This Contract includes the following exhibits, listed in descending order of precedence for purposes of resolving any conflict between two or more of the parts:

Exhibit A	General Definitions
Exhibit B	Security
Exhibit C-1	Form of Promissory Note MCDD-A
Exhibit C-2	Form of Promissory Note MCDD-B
Exhibit C-3	Form of Promissory Note SDIC-A
Exhibit C-4	Form of Promissory Note SDIC-B
Exhibit D	Project Description; Project Special Condition
Exhibit E	Project Budget

SECTION 1 - KEY TERMS

The following capitalized terms have the meanings assigned below.

“Estimated Project Cost” means \$3,567,712.

“MCDD Grant Amount” means \$50,000.

“MCDD-A Loan Amount” means \$1,000,000.

“MCDD-B Loan Amount” means \$1,517,952.

“Maturity Date” means the 6th anniversary of the Repayment Commencement Date.

“Note Interest Rate” means, individually without distinction, the interest rate accruing on a Loan.

“Note MCDD-A Interest Rate” means 0%.

“Note MCDD-B Interest Rate” means 1.84% per annum, computed on the basis of a 360-day year, consisting of twelve 30-day months.

“Note SDIC-A Interest Rate” means 0%.

“Note SDIC-B Interest Rate” means 1.84% per annum, computed on the basis of a 360-day year, consisting of twelve 30-day months.

“Payment Date” means 1 December.

“Project Closeout Deadline” means 90 days after the earlier of the Project Completion Date or the Project Completion Deadline.

“Project Completion Deadline” means 24 months after the date of this Contract.

“Repayment Commencement Date” means the first Payment Date to occur after the Project Closeout Deadline.

“SDIC Grant Amount” means \$50,000.

“SDIC-A Loan Amount” means \$499,880.

“SDIC-B Loan Amount” means \$449,880.

SECTION 2 - FINANCIAL ASSISTANCE

The IFA shall provide Recipient, and Recipient shall accept from IFA, financing for the Project specified below:

- A. A grant in an aggregate amount not to exceed the MCDD Grant Amount (“MCDD Grant”).
- B. A grant in an aggregate amount not to exceed the SDIC Grant Amount (“SDIC Grant”).
- C. A non-revolving loan in an aggregate principal amount not to exceed the MCDD-A Loan Amount (“MCDD-A Loan”).
- D. A non-revolving loan in an aggregate principal amount not to exceed the MCDD-B Loan Amount (“MCDD-B Loan”).
- E. A non-revolving loan in an aggregate principal amount not to exceed the SDIC-A Loan Amount (“SDIC-A Loan”).
- F. A non-revolving loan in an aggregate principal amount not to exceed the SDIC-B Loan Amount (“SDIC-B Loan”).

“Loan” means collectively and individually without distinction, as the context requires, the MCDD-A Loan, the MCDD-B Loan, the SDIC-A Loan, and the SDIC-B Loan. “Grant” means collectively and individually without distinction, as the context requires, the MCDD Grant and the SDIC Grant.

Notwithstanding the above, the aggregate total of Financing Proceeds disbursed under this Contract cannot exceed the Costs of the Project.

SECTION 3 - DISBURSEMENTS

- A. Reimbursement Basis. The Financing Proceeds will be disbursed to Recipient on an expense reimbursement or costs-incurred basis. The Recipient must submit each disbursement request for the Financing Proceeds on an IFA-provided or IFA-approved disbursement request form (“Disbursement Request”).
- B. Financing Availability. The IFA’s obligation to make, and Recipient’s right to request, disbursements under this Contract terminates on the Project Closeout Deadline.
- C. Payment to Contractors. The IFA, in its sole discretion, may make direct payment to suppliers, contractors and subcontractors and others for sums due them in connection with construction of the Project, instead of reimbursing Recipient for those sums.
- D. Order of Disbursement. The Recipient authorizes IFA to determine whether disbursements will be drawn from the Loan or the Grant, and record the date and amount of each such disbursement. Absent manifest error, such notations will be conclusive evidence for determining accrual of interest on the principal balance of the Loan and the remaining Loan or Grant amount available for disbursement.

SECTION 4 - LOAN PAYMENT; PREPAYMENT

- A. Promise to Pay. The Recipient shall repay the Loan and all amounts due under this Contract and the Note in accordance with their terms. Payments required under this Contract are, without limitation, payable from the sources of repayment described in the Act and this Contract, including but not limited to Exhibit B, and the obligation of Recipient to make all payments is absolute and unconditional. Payments will not be abated, rebated, set-off, reduced, abrogated, terminated, waived, postponed or otherwise modified in any manner whatsoever. Payments cannot remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project, commercial frustration of purpose, any change in the laws, rules or regulations of the United States of America or of the State of Oregon or any political subdivision or governmental authority, nor any failure of IFA to perform any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with the Project or this Contract, or any rights of set off, recoupment, abatement or counterclaim that Recipient might otherwise have against IFA or any other party or parties; provided further, that payments hereunder will not constitute a waiver of any such rights.
- B. Interest. Interest accrues at the Note Interest Rate on each disbursement from the date of disbursement until the Loan is fully paid. All unpaid interest accrued to the Repayment Commencement Date is (in addition to the first regular installment payment due) payable on the Repayment Commencement Date.
- C. Loan Payments. Starting on the Repayment Commencement Date and then on each succeeding Payment Date, Recipient shall make level installment payments of principal, and interest as applicable, each payment sufficient to pay the interest accrued to the date of payment and so much of the principal as will fully amortize the Loan by the Maturity Date, on which date the entire outstanding balance of the Loan is due and payable in full.
- D. Loan Prepayments.
- (1) Mandatory Prepayment. The Recipient shall prepay all or part of the outstanding balance of the Loan as required by this Contract or the Note.
 - (2) Optional Prepayment. The Recipient may prepay all or part of the outstanding balance of the Loan on any day except a Saturday, Sunday, legal holiday or day that banking institutions in Salem, Oregon are closed.
- E. Application of Payments. Regardless of any designation by Recipient, payments and prepayments by Recipient under this Contract or any of the Financing Documents will be applied first to any expenses of IFA, including but not limited to attorneys' fees, then to unpaid accrued interest (in the case of prepayment, on the amount prepaid), then to the principal of the Loan. In the case of a Loan prepayment that does not prepay all the principal of the Loan, IFA will determine, in its sole discretion, the method for how the Loan prepayment will be applied to the outstanding principal payments. A scheduled payment received before the scheduled repayment date will be applied to interest and principal on the scheduled repayment date, rather than on the day such payment is received.

SECTION 5 - CONDITIONS PRECEDENT

A. Conditions Precedent to IFA's Obligations. The IFA's obligations are subject to the receipt of the following items, in form and substance satisfactory to IFA and its Counsel:

- (1) This Contract duly signed by an authorized officer of Recipient.
- (2) The Note duly signed by an authorized officer of Recipient.
- (3) A copy of the ordinance, order or resolution of the governing body of Recipient authorizing the borrowing and the contemplated transactions and the execution and delivery of this Contract, the Note and the other Financing Documents.
- (4) A copy of a duly executed agreement (and any amendments thereto) among Recipient, Multnomah County Drainage District No.1 ("MCDD") and the Sandy Drainage Improvement Company ("SDIC"); SDIC and MCDD referred to collectively and individually without distinction as "District," that contains provisions substantially in the following form:

"For the purposes of the covenants below, "levee" means the levee of ("District") which benefited from the proceeds of the loan ("Loan") made by the State of Oregon acting by and through the Infrastructure Finance Authority ("IFA") to Multnomah County pursuant to Contract X16001 (defined below):

Compliance with Laws. District shall comply with all applicable laws, rules, regulations and orders of any court or governmental authority that relate to this intergovernmental agreement, and the operation of District's levee system, as it may be modified or expanded from time to time.

Property Interests in Levees. During the term of financing contract X16001 between IFA and Multnomah County ("Contract X16001"), the District shall take all actions necessary to maintain its easements or other legal rights and interests in the real property constituting the District's levee system, unless Multnomah County and IFA have received 90 days' prior written notice and agree otherwise in writing.

Insurance, Damage. District shall maintain, or cause to be maintained, insurance policies with responsible insurers or self insurance programs, insuring against liability and risk of direct physical loss, damage or destruction of its owned assets, at least to the extent that similar insurance is customarily carried by governmental units constructing, operating and maintaining similar facilities. Nothing in this provision precludes District from exerting a defense against any party other than IFA or Multnomah County, including a defense of immunity. If the District's assets or any portion is destroyed, any insurance proceeds will be paid to Multnomah County and applied to prepay the outstanding balance on the Loan, unless IFA agrees otherwise in writing.

Sales, Leases and Encumbrances. District shall not sell, lease, exchange, abandon, transfer or otherwise dispose of any substantial portion of or interest in its owned assets unless worn out, obsolete, or, in the reasonable business judgment of District, no longer useful to the operation of the levees, nor agree to any transfer, diminution, or abrogation of rights and powers related to its ability to generate revenues for payment for the Loan. Nevertheless, Multnomah County and IFA may consent to such disposition if they have received 90 days' prior written notice. Such consent may require assumption by transferee of all of District's obligations under this agreement. In the case of sale, exchange, transfer or other similar disposition, District shall, within 30 days of receipt of any proceeds from such disposition, transfer such proceeds to Multnomah County to be applied by Multnomah County as a

mandatory prepayment on the Loan in accordance with section 4.D.(1) of Contract X16001, unless IFA agrees otherwise in writing.

Procurement Standards. When procuring goods or services (including professional consulting services) paid with Loan proceeds, District shall follow state procurement regulations found in the Oregon Public Contracting Code, ORS chapters 279A, 279B and 279C.”

(5) Such other certificates, documents, opinions and information as IFA may reasonably require.

B. Conditions to Disbursements. As to any disbursement, IFA has no obligation to disburse funds unless all following conditions are met:

- (1) There is no Default or Event of Default.
- (2) The representations and warranties made in this Contract are true and correct on the date of disbursement as if made on such date.
- (3) The IFA, in the reasonable exercise of its administrative discretion, has sufficient moneys in the Fund for use in the Project and has sufficient funding, appropriations, limitations, allotments and other expenditure authority to make the disbursement.
- (4) The IFA (a) has received a completed Disbursement Request, (b) has received any written evidence of materials and labor furnished to or work performed upon the Project, itemized receipts or invoices for payment, and releases, satisfactions or other signed statements or forms as IFA may require, (c) is satisfied that all items listed in the Disbursement Request are reasonable and that the costs for labor and materials were incurred and are properly included in the Costs of the Project, and (d) has determined that the disbursement is only for costs defined as eligible costs under the Act and any implementing administrative rules and policies.
- (5) The Recipient has delivered documentation satisfactory to IFA that, in addition to the Financing Proceeds, Recipient has available or has obtained binding commitments for all funds necessary to complete the Project.
- (6) Any conditions to disbursement elsewhere in this Contract or in the other Financing Documents are met.

SECTION 6 - USE OF FINANCIAL ASSISTANCE

- A. Use of Proceeds. The Recipient shall use the Financing Proceeds only for the activities described in Exhibit D and according to the budget in Exhibit E. The Recipient may not transfer Financing Proceeds among line items in the budget without the prior written consent of IFA.
- B. Costs of the Project. The Recipient shall apply the Financing Proceeds to the Costs of the Project in accordance with the Act and Oregon law, as applicable. Financing Proceeds cannot be used for costs in excess of one hundred percent (100%) of the total Costs of the Project and cannot be used for pre-Award Costs of the Project, unless permitted by Exhibit D.
- C. Costs Paid for by Others. The Recipient may not use any of the Financing Proceeds to cover costs to be paid for by other financing for the Project from another State of Oregon agency or any third party.

SECTION 7 - REPRESENTATIONS AND WARRANTIES OF RECIPIENT

In reviewing and executing this Contract, the Recipient has been represented and advised by its general counsel, the Multnomah County Attorney, and, on the advice of such counsel as well as the Recipient's own knowledge and expertise, the Recipient hereby represents and warrants to IFA:

- A. Estimated Project Cost, Funds for Repayment. A reasonable estimate of the Costs of the Project is shown in section 1, and the Project is fully funded. The Recipient will have adequate funds available to repay the Loan, and the Maturity Date does not exceed the usable life of the Project.
- B. Organization and Authority.
- (1) The Recipient is a Municipality under the Act, and validly organized and existing under the laws of the State of Oregon.
 - (2) The Recipient has all necessary right, power and authority under its organizational documents and under Oregon law to (a) execute and deliver this Contract and the other Financing Documents, (b) incur and perform its obligations under this Contract and the other Financing Documents, and (c) borrow and receive financing for the Project.
 - (3) This Contract, the Note and the other Financing Documents executed and delivered by Recipient have been authorized by an ordinance, order or resolution of Recipient's governing body, and voter approval, if necessary, that was adopted in accordance with applicable law and requirements for filing public notices and holding public meetings.
 - (4) This Contract and the other Financing Documents have been duly executed by Recipient, and when executed by IFA, are legal, valid and binding, and enforceable in accordance with their terms.
- C. Full Disclosure. The Recipient has disclosed in writing to IFA all facts that materially adversely affect the Project, or the ability of Recipient to make all payments and perform all obligations required by this Contract, the Note and the other Financing Documents. The Recipient has made no false statements of fact, nor has it omitted information necessary to prevent any statements from being misleading. The information contained in this Contract and the other Financing Documents is true and accurate in all respects.
- D. Pending Litigation. The Recipient has disclosed in writing to IFA all proceedings pending (or to the knowledge of Recipient, threatened) against or affecting Recipient, in any court or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would materially adversely affect the Project or the ability of Recipient to make all payments and perform all obligations required by this Contract, the Note and the other Financing Documents.
- E. No Defaults.
- (1) No Defaults or Events of Default exist or occur upon authorization, execution or delivery of this Contract or any of the Financing Documents.
 - (2) The Recipient has not violated, and has not received notice of any claimed violation of, any agreement or instrument to which it is a party or by which the Project or its property may be bound, that would materially adversely affect the Project or the ability of Recipient to make all payments and perform all obligations required by this Contract, the Note and the other Financing Documents.
- F. Compliance with Existing Agreements and Applicable Law. The authorization and execution of, and the performance of all obligations required by, this Contract and the other Financing Documents will not: (i) cause a breach of any agreement, indenture, mortgage, deed of trust, or other instrument, to

which Recipient is a party or by which the Project or any of its property or assets may be bound; (ii) cause the creation or imposition of any third party lien, charge or encumbrance upon any property or asset of Recipient; (iii) violate any provision of the charter or other document pursuant to which Recipient was organized or established; or (iv) violate any laws, regulations, ordinances, resolutions, or court orders related to Recipient, the Project or its properties or operations.

- G. Governmental Consent. The Recipient has obtained or will obtain all permits and approvals, and has made or will make all notifications, declarations, filings or registrations, required for the making and performance of its obligations under this Contract, the Note and the other Financing Documents, for the financing or refinancing and undertaking and completion of the Project.

SECTION 8 - COVENANTS OF RECIPIENT

The Recipient covenants as follows:

- A. Notice of Adverse Change. The Recipient shall promptly notify IFA of any adverse change in the activities, prospects or condition (financial or otherwise) of Recipient or the Project related to the ability of Recipient to make all payments and perform all obligations required by this Contract, the Note or the other Financing Documents.
- B. Compliance with Laws. The Recipient shall comply with all applicable laws, rules, regulations and orders of any court or governmental authority that relate to this Contract or the other Financing Documents, and the Project, and the operation of the levee systems to which the Project is related, as it may be modified or expanded from time to time. In particular, but without limitation, Recipient shall comply with the following, as applicable:

- (1) State procurement regulations found in the Oregon Public Contracting Code, ORS chapters 279A, 279B and 279C.
- (2) State labor standards and wage rates found in ORS chapter 279C.
- (3) OAR 123-042-0165 (5) requirements for signs and notifications.

These laws, rules, regulations and orders are incorporated by reference in this Contract to the extent required by law.

- C. Project Completion Obligations. The Recipient shall:

- (1) Complete the Project using its own fiscal resources or money from other sources to pay for any Costs of the Project in excess of the total amount of financial assistance provided pursuant to this Contract.
- (2) Complete the Project no later than the Project Completion Deadline, unless otherwise permitted by the IFA in writing.
- (3) No later than the Project Closeout Deadline, provide IFA with a final project completion report on a form provided by IFA, including Recipient's certification that the Project is complete, all payments are made, and no further disbursements are needed; provided however, for the purposes of this Contract, IFA will be the final judge of the Project's completion.

- D. Financial Records. The Recipient shall keep accurate books and records for the revenues and funds that are the source of repayment of the Loan, separate and distinct from its other books and records, and maintain them according to generally accepted accounting principles established by the Government Accounting Standards Board in effect at the time. The Recipient shall have these records audited annually by an independent certified public accountant, which may be part of the annual audit of all records of Recipient.

- E. Inspections; Information. The Recipient shall permit IFA and any party designated by IFA: (i) to inspect, at any reasonable time, the property, if any, constituting the Project; and (ii) at any reasonable time, to inspect and make copies of any accounts, books and records, including, without limitation, its records regarding receipts, disbursements, contracts, investments and any other related matters, and financial statements or other documents related to its financial standing. The Recipient shall supply any related reports and information as IFA may reasonably require. In addition, Recipient shall, upon request, provide IFA with copies of loan documents or other financing documents and any official statements or other forms of offering prospectus relating to any other bonds, notes or other indebtedness of Recipient that are issued after the date of this Contract.
- F. Records Maintenance. The Recipient shall retain and keep accessible all books, documents, papers, and records that are directly related to this Contract, the Project or the Financing Proceeds for a minimum of six years, or such longer period as may be required by other provisions of this Contract or applicable law, following the Project Closeout Deadline. If there are unresolved issues at the end of such period, Recipient shall retain the books, documents, papers and records until the issues are resolved.
- G. Economic Benefit Data. The IFA may require Recipient to submit specific data on the economic development benefits of the Project and other information to evaluate the success and economic impact of the Project, from the date of this Contract until six years after the Project Completion Date. The Recipient shall, at its own expense, prepare and submit the data within the time specified by IFA.
- H. Minority, Women & Emerging Small Business. ORS 200.090 requires all public agencies to “aggressively pursue a policy of providing opportunities for available contracts to emerging small businesses...” The IFA encourages Recipient in any contracting activity to follow good faith efforts as described in ORS 200.045. Additional resources are provided by the Director of Economic & Business Equity in the Office of the Governor. Also, the Office of Minority, Women, and Emerging Small Business at the Oregon Business Development Department maintains a list of certified firms and can answer questions. Search for certified MWESB firms on the web at: <https://oregon4biz.diversitysoftware.com/FrontEnd/VendorSearchPublic.asp>.
- I. Professional Responsibility. All service providers on the Project retained for their professional expertise must be certified, licensed, or registered, as appropriate, in the State of Oregon for their specialty.
- J. Notice of Default. The Recipient shall give IFA prompt written notice of any Default as soon as any senior administrative or financial officer of Recipient becomes aware of its existence or reasonably believes a Default is likely.
- K. Indemnity. To the extent authorized by law, Recipient shall defend (subject to ORS chapter 180), indemnify, save and hold harmless IFA and its officers, employees and agents from and against any and all claims, suits, actions, proceedings, losses, damages, liability and court awards including costs, expenses, and attorneys’ fees incurred related to any actual or alleged act or omission by Recipient, or its employees, agents or contractors; however, the provisions of this section are not to be construed as a waiver of any defense or limitation on damages provided for under Chapter 30 of the Oregon Revised Statutes or under the laws of the United States or other laws of the State of Oregon.
- L. Further Assurances. The Recipient shall, at the request of IFA, authorize, sign, acknowledge and deliver any further resolutions, conveyances, transfers, assurances, financing statements and other instruments and documents as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Contract and the other Financing Documents.

SECTION 9 - DEFAULTS

Any of the following constitutes an “Event of Default”:

- A. The Recipient fails to make any Loan payment when due.
- B. The Recipient fails to make, or cause to be made, any required payments of principal, redemption premium, or interest on any bonds, notes or other material obligations, for any other loan made by the State of Oregon.
- C. Any false or misleading representation is made by or on behalf of Recipient, in this Contract, in any other Financing Document or in any document provided by Recipient related to this Loan or the Project.
- D. (1) A petition, proceeding or case is filed by or against Recipient under any federal or state bankruptcy or insolvency law, and in the case of a petition filed against Recipient, Recipient acquiesces to such petition or such petition is not dismissed within 20 calendar days after such filing, or such dismissal is not final or is subject to appeal;
- (2) The Recipient files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, dissolution, winding-up or composition or adjustment of debts;
- (3) The Recipient becomes insolvent or bankrupt or admits its inability to pay its debts as they become due, or makes an assignment for the benefit of its creditors;
- (4) The Recipient applies for or consents to the appointment of, or taking of possession by, a custodian (including, without limitation, a receiver, liquidator or trustee) of Recipient or any substantial portion of its property; or
- (5) The Recipient takes any action for the purpose of effecting any of the above.
- E. The Recipient defaults under any other Financing Document and fails to cure such default within the applicable grace period.
- F. The Recipient fails to perform any obligation required under this Contract, other than those referred to in subsections A through E of this section 9, and that failure continues for a period of 30 calendar days after written notice specifying such failure is given to Recipient by IFA. The IFA may agree in writing to an extension of time if it determines Recipient instituted and has diligently pursued corrective action.

SECTION 10 - REMEDIES

- A. Remedies. Upon any Event of Default, IFA may pursue any or all remedies in this Contract, the Note or any other Financing Document, and any other remedies available at law or in equity to collect amounts due or to become due or to enforce the performance of any obligation of Recipient. Remedies may include, but are not limited to:
 - (1) Terminating IFA’s commitment and obligation to make any further disbursements of Financing Proceeds under the Contract.
 - (2) Declaring all payments under the Note and all other amounts due under any of the Financing Documents immediately due and payable, and upon notice to Recipient the same become due and payable without further notice or demand.
 - (3) Barring Recipient from applying for future awards.

- (4) Withholding amounts otherwise due to Recipient for application to the payment of amounts due under this Contract, including as provided in ORS 285B.449; however, this provision is not to be construed in a way that Recipient's obligations would constitute debt that violates Section 10, Article XI of the Oregon Constitution.
 - (5) Foreclosing liens or security interests pursuant to this Contract or any other Financing Document.
 - (6) Requiring repayment of the Grant and all interest earned by Recipient on those Grant funds.
- B. Application of Moneys. Any moneys collected by IFA pursuant to section 10.A will be applied first, to pay any attorneys' fees and other fees and expenses incurred by IFA; then, to repay any Grant proceeds owed; then, to pay interest due on the Loan; then, to pay principal due on the Loan; and last, to pay any other amounts due and payable under this Contract or any of the Financing Documents.
- C. No Remedy Exclusive; Waiver; Notice. No remedy available to IFA is intended to be exclusive, and every remedy will be in addition to every other remedy. No delay or omission to exercise any right or remedy will impair or is to be construed as a waiver of such right or remedy. No single or partial exercise of any right power or privilege under this Contract or any of the Financing Documents will preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. The IFA is not required to provide any notice in order to exercise any right or remedy, other than notice required in section 9 of this Contract.
- D. Default by IFA. In the event IFA defaults on any obligation in this Contract, Recipient's remedy will be limited to injunction, special action, action for specific performance, or other available equitable remedy for performance of IFA's obligations.

SECTION 11 - MISCELLANEOUS

- A. Time is of the Essence. The Recipient agrees that time is of the essence under this Contract and the other Financing Documents.
- B. Relationship of Parties; Successors and Assigns; No Third Party Beneficiaries.
- (1) The parties agree that their relationship is that of independent contracting parties and that Recipient is not an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265.
 - (2) Nothing in this Contract gives, or is to be construed to give, directly or indirectly, to any third persons any rights and benefits greater than those enjoyed by the general public.
 - (3) This Contract will be binding upon and inure to the benefit of IFA, Recipient, and their respective successors and permitted assigns.
 - (4) The Recipient may not assign or transfer any of its rights or obligations or any interest in this Contract or any other Financing Document without the prior written consent of IFA. The IFA may grant, withhold or impose conditions on such consent in its sole discretion. In the event of an assignment, Recipient shall pay, or cause to be paid to IFA, any fees or costs incurred because of such assignment, including but not limited to attorneys' fees of IFA's Counsel and Bond Counsel. Any approved assignment is not to be construed as creating any obligation of IFA beyond those in this Contract or other Financing Documents, nor does assignment relieve Recipient of any of its duties or obligations under this Contract or any other Financing Documents.

Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

Notwithstanding the prior paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon’s sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

J. Integration. This Contract (including all exhibits, schedules or attachments) and the other Financing Documents constitute the entire agreement between the parties on the subject matter. There are no unspecified understandings, agreements or representations, oral or written, regarding this Contract.

K. Execution in Counterparts. This Contract may be signed in several counterparts, each of which is an original and all of which constitute one and the same instrument.

The Recipient, by its signature below, acknowledges that it has read this Contract, understands it, and agrees to be bound by its terms and conditions.



STATE OF OREGON
acting by and through the
Oregon Infrastructure Finance Authority



MULTNOMAH COUNTY

By: _____
Paulina Layton, Manager
Program Services Division

By: _____
Deborah Kafoury, Chair
County Commission

Date: _____

Date: _____

**APPROVED AS TO LEGAL SUFFICIENCY IN
ACCORDANCE WITH ORS 291.047:**

Reviewed By:
Jenny M. Madkour, County Attorney

By: /s/ Keith L. Kutler as per email
Keith Kutler, Assistant Attorney General

Jed Tomkins, Assistant County Attorney

Date: 28 August 2015

Date: _____

EXHIBIT A - GENERAL DEFINITIONS

As used in this Contract, the following terms have the meanings below.

“Act” means ORS 285B.410 through 285B.482, as amended.

“Award” means the award of financial assistance to Recipient by IFA dated 14 Aug 2015.

“Costs of the Project” means Recipient’s actual costs (including any financing costs properly allocable to the Project) that are (a) reasonable, necessary and directly related to the Project, (b) permitted by generally accepted accounting principles to be Costs of the Project, and (c) are eligible or permitted uses of the Financing Proceeds under applicable state or federal statute and rule.

“Counsel” means an attorney at law or firm of attorneys at law duly admitted to practice law before the highest court of any state, who may be of counsel to, or an employee of, IFA or Recipient.

“Default” means an event which, with notice or lapse of time or both, would become an Event of Default.

“Financing Documents” means this Contract and all agreements, instruments, documents and certificates (including but not limited to all promissory notes) executed pursuant to or in connection with IFA’s financing of the Project.

“Financing Proceeds” means the proceeds of the Loan and Grant collectively or Loan or Grant individually without distinction.

“Municipality” means any entity described in ORS 285B.410(8).

“MCDD-A Note” means that certain promissory note evidencing MCDD-A Loan, substantially in the form of Exhibit C-1, as amended, extended or renewed from time to time.

“MCDD-B Note” means that certain promissory note evidencing MCDD-B Loan, substantially in the form of Exhibit C-2, as amended, extended or renewed from time to time.

“Note” means collectively and individually without distinction, the MCDD-A Note, MCDD-B Note, SDIC-A Note and SDIC-B Note.

“SDIC-A Note” means that certain promissory note evidencing SDIC-A Loan, substantially in the form of Exhibit C-3, as amended, extended or renewed from time to time.

“SDIC-B Note” means that certain promissory note evidencing SDIC-B Loan, substantially in the form of Exhibit C-4, as amended, extended or renewed from time to time.

“ORS” means the Oregon Revised Statutes.

“Project Completion Date” means the date on which Recipient completes the Project.

EXHIBIT B - SECURITY

General Fund Pledge. The Recipient pledges its full faith and credit and taxing power within the limitations of Article XI, sections 11 and 11 b, of the Oregon Constitution to pay the amounts due under this Contract and the Note. This Contract and the Note are payable from all legally available funds of Recipient.

EXHIBIT C-1 - FORM OF PROMISSORY NOTE MCDD-A

Multnomah County

MCDD-A PROMISSORY NOTE

Dated XXXXXXXXXXXXXXXXXX, XXXX
XXXXXXXXXXXXXXXXXX, Oregon

FOR VALUE RECEIVED, Multnomah County, 501 SE Hawthorne, Suite 531, Portland, OR 97214 (“Recipient”), unconditionally promises to pay in lawful money of the United States of America to the order of the STATE OF OREGON, ACTING BY AND THROUGH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY (“IFA”), at its principal office at 775 Summer Street NE, Suite 200, Salem, OR 97301-1280, or such other place as IFA or other holder of this Note may designate, the principal sum of One Million Dollars (\$1,000,000) or so much as is disbursed under the Contract (as defined below), plus interest on each disbursement at the Note Interest Rate of Zero percent (0%) per annum, from the disbursement date until paid. Interest will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

This Note is subject to and secured by that certain contract, number X16001, between IFA and Recipient (as amended from time to time, the “Contract”). Capitalized terms not otherwise defined in this Note will have the meanings assigned to them by the Contract.

The Recipient shall make level installment payments of principal, commencing on the Repayment Commencement Date and thereafter on each Payment Date. Each such installment will be in an amount as will fully amortize the Loan by the Maturity Date. On the Maturity Date, the entire outstanding principal balance will be due and payable in full.

This Note is subject to mandatory prepayment and is payable prior to its maturity, and each payment made by Recipient will be applied as provided in section 4 (Loan Payment; Prepayment) of the Contract.

This Note is given to avoid the execution by Recipient of an individual note for each disbursement of Loan proceeds by IFA to Recipient in accordance with section 3 (Disbursements) of the Contract. The Recipient authorizes IFA to record the date and amount of each such disbursement and the date and amount of each payment and prepayment by Recipient. Absent manifest error, such notations will be conclusive evidence of borrowing and payments under this Note; provided, however, that failure to make any such notations will not affect the obligations of Recipient under this Note or the Contract.

If any Event of Default occurs, the outstanding balance of the Note (including principal and other charges, if any), at the option of IFA, becomes immediately due and payable in accordance with section 10 (Remedies) of the Contract. Failure or delay of the holder of this Note to exercise any option available under the terms of this Note, the Contract or any of the Financing Documents will not constitute a waiver of the right to exercise the option in the event of any continuing or subsequent default of the same or of any other provision. Presentment, dishonor, notice of dishonor, and protest are hereby waived.

To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Note is entitled to recover its reasonable attorneys’ fees and costs at trial and on appeal. Reasonable attorneys’ fees cannot exceed the rate charged to IFA by its attorneys. The Recipient shall, on demand, pay to IFA reasonable expenses incurred by IFA in the collection of Loan payments.

The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Note, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Notice to Recipient: Do not sign this Note before you read it.

MULTNOMAH COUNTY

By: _____XXXXXXXXXXXXXXXXXXXXXX

Title: _____XXXXXXXXXXXXXXXXXXXXXX

Sample

EXHIBIT C-2 - FORM OF PROMISSORY NOTE MCDD-B

Multnomah County

MCDD-B PROMISSORY NOTE

Dated XXXXXXXXXXXXXXXXXX, XXXX
XXXXXXXXXXXXXXXXXX, Oregon

FOR VALUE RECEIVED, Multnomah County, 501 SE Hawthorne, Suite 531, Portland, OR 97214 (“Recipient”), unconditionally promises to pay in lawful money of the United States of America to the order of the STATE OF OREGON, ACTING BY AND THROUGH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY (“IFA”), at its principal office at 775 Summer Street NE, Suite 200, Salem, OR 97301-1280, or such other place as IFA or other holder of this Note may designate, the principal sum of One Million, Five Hundred and Seventeen Thousand, Nine Hundred and Fifty-Two Dollars (\$1,517,952) or so much as is disbursed under the Contract (as defined below), plus interest on each disbursement at the Note Interest Rate of One and 84/100 percent (1.84%) per annum, from the disbursement date until paid. Interest will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

This Note is subject to and secured by that certain contract, number X16001, between IFA and Recipient (as amended from time to time, the “Contract”). Capitalized terms not otherwise defined in this Note will have the meanings assigned to them by the Contract.

The Recipient shall make level installment payments of principal and interest, commencing on the Repayment Commencement Date and thereafter on each Payment Date. Each such installment will be in an amount sufficient to pay the interest accrued to the date of payment and so much of the principal as will fully amortize the Loan by the Maturity Date. All unpaid interest that accrued to the Repayment Commencement Date is (in addition to the first regular installment payment due) payable on the Repayment Commencement Date. On the Maturity Date, the entire outstanding principal balance and all accrued unpaid interest will be due and payable in full.

This Note is subject to mandatory prepayment and is payable prior to its maturity, and each payment made by Recipient will be applied as provided in section 4 (Loan Payment; Prepayment) of the Contract.

This Note is given to avoid the execution by Recipient of an individual note for each disbursement of Loan proceeds by IFA to Recipient in accordance with section 3 (Disbursements) of the Contract. The Recipient authorizes IFA to record the date and amount of each such disbursement, the date and amount of each payment and prepayment by Recipient, and the amount of interest accrued and paid. Absent manifest error, such notations will be conclusive evidence of borrowing, payments and interest under this Note; provided, however, that failure to make any such notations will not affect the obligations of Recipient under this Note or the Contract.

If any Event of Default occurs, the outstanding balance of the Note (including principal, interest and other charges, if any), at the option of IFA, becomes immediately due and payable in accordance with section 10 (Remedies) of the Contract. Failure or delay of the holder of this Note to exercise any option available under the terms of this Note, the Contract or any of the Financing Documents will not constitute a waiver of the right to exercise the option in the event of any continuing or subsequent default of the same or of any other provision. Presentment, dishonor, notice of dishonor, and protest are hereby waived.

To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Note is entitled to recover its reasonable attorneys' fees and costs at trial and on appeal. Reasonable attorneys' fees cannot exceed the rate charged to IFA by its attorneys. The Recipient shall, on demand, pay to IFA reasonable expenses incurred by IFA in the collection of Loan payments.

The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Note, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Notice to Recipient: Do not sign this Note before you read it.

MULTNOMAH COUNTY

By: _____XXXXXXXXXXXXXXXXXXXX

Title: _____XXXXXXXXXXXXXXXXXXXX

Sample

EXHIBIT C-3 - FORM OF PROMISSORY NOTE SDIC-A

Multnomah County

SDIC-A PROMISSORY NOTE

Dated XXXXXXXXXXXXXXXXXX, XXXX
XXXXXXXXXXXXXXXXXX, Oregon

FOR VALUE RECEIVED, Multnomah County, 501 SE Hawthorne, Suite 531, Portland, OR 97214 (“Recipient”), unconditionally promises to pay in lawful money of the United States of America to the order of the STATE OF OREGON, ACTING BY AND THROUGH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY (“IFA”), at its principal office at 775 Summer Street NE, Suite 200, Salem, OR 97301-1280, or such other place as IFA or other holder of this Note may designate, the principal sum of Four Hundred and Ninety-Nine Thousand, Eight Hundred and Eighty Dollars (\$499,880) or so much as is disbursed under the Contract (as defined below), plus interest on each disbursement at the Note Interest Rate of Zero percent (0%) per annum, from the disbursement date until paid. Interest will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

This Note is subject to and secured by that certain contract, number X16001, between IFA and Recipient (as amended from time to time, the “Contract”). Capitalized terms not otherwise defined in this Note will have the meanings assigned to them by the Contract.

The Recipient shall make level installment payments of principal, commencing on the Repayment Commencement Date and thereafter on each Payment Date. Each such installment will be in an amount as will fully amortize the Loan by the Maturity Date. On the Maturity Date, the entire outstanding principal balance will be due and payable in full.

This Note is subject to mandatory prepayment and is payable prior to its maturity, and each payment made by Recipient will be applied as provided in section 4 (Loan Payment; Prepayment) of the Contract.

This Note is given to avoid the execution by Recipient of an individual note for each disbursement of Loan proceeds by IFA to Recipient in accordance with section 3 (Disbursements) of the Contract. The Recipient authorizes IFA to record the date and amount of each such disbursement and the date and amount of each payment and prepayment by Recipient. Absent manifest error, such notations will be conclusive evidence of borrowing and payments under this Note; provided, however, that failure to make any such notations will not affect the obligations of Recipient under this Note or the Contract.

If any Event of Default occurs, the outstanding balance of the Note (including principal, interest and other charges, if any), at the option of IFA, becomes immediately due and payable in accordance with section 10 (Remedies) of the Contract. Failure or delay of the holder of this Note to exercise any option available under the terms of this Note, the Contract or any of the Financing Documents will not constitute a waiver of the right to exercise the option in the event of any continuing or subsequent default of the same or of any other provision. Presentment, dishonor, notice of dishonor, and protest are hereby waived.

To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Note is entitled to recover its reasonable attorneys’ fees and costs at trial and on appeal. Reasonable attorneys’ fees cannot exceed the rate charged to IFA by its attorneys. The Recipient shall, on demand, pay to IFA reasonable expenses incurred by IFA in the collection of Loan payments.

The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Note, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Notice to Recipient: Do not sign this Note before you read it.

MULTNOMAH COUNTY

By: _____XXXXXXXXXXXXXXXXXXXXXX

Title: _____XXXXXXXXXXXXXXXXXXXXXX

Sample

EXHIBIT C-4 - FORM OF PROMISSORY NOTE SDIC-B

Multnomah County

SDIC-B PROMISSORY NOTE

Dated XXXXXXXXXXXXXXXXXX, XXXX
XXXXXXXXXXXXXXXXXX, Oregon

FOR VALUE RECEIVED, Multnomah County, 501 SE Hawthorne, Suite 531, Portland, OR 97214 (“Recipient”), unconditionally promises to pay in lawful money of the United States of America to the order of the STATE OF OREGON, ACTING BY AND THROUGH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY (“IFA”), at its principal office at 775 Summer Street NE, Suite 200, Salem, OR 97301-1280, or such other place as IFA or other holder of this Note may designate, the principal sum of Four Hundred and Forty-Nine Thousand, Eight Hundred and Eighty Dollars (\$449,880) or so much as is disbursed under the Contract (as defined below), plus interest on each disbursement at the Note Interest Rate of One and 84/100 percent (1.84%) per annum, from the disbursement date until paid. Interest will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

This Note is subject to and secured by that certain contract, number X16001, between IFA and Recipient (as amended from time to time, the “Contract”). Capitalized terms not otherwise defined in this Note will have the meanings assigned to them by the Contract.

The Recipient shall make level installment payments of principal and interest, commencing on the Repayment Commencement Date and thereafter on each Payment Date. Each such installment will be in an amount sufficient to pay the interest accrued to the date of payment and so much of the principal as will fully amortize the Loan by the Maturity Date. All unpaid interest that accrued to the Repayment Commencement Date is (in addition to the first regular installment payment due) payable on the Repayment Commencement Date. On the Maturity Date, the entire outstanding principal balance and all accrued unpaid interest will be due and payable in full.

This Note is subject to mandatory prepayment and is payable prior to its maturity, and each payment made by Recipient will be applied as provided in section 4 (Loan Payment; Prepayment) of the Contract.

This Note is given to avoid the execution by Recipient of an individual note for each disbursement of Loan proceeds by IFA to Recipient in accordance with section 3 (Disbursements) of the Contract. The Recipient authorizes IFA to record the date and amount of each such disbursement, the date and amount of each payment and prepayment by Recipient, and the amount of interest accrued and paid. Absent manifest error, such notations will be conclusive evidence of borrowing, payments and interest under this Note; provided, however, that failure to make any such notations will not affect the obligations of Recipient under this Note or the Contract.

If any Event of Default occurs, the outstanding balance of the Note (including principal, interest and other charges, if any), at the option of IFA, becomes immediately due and payable in accordance with section 10 (Remedies) of the Contract. Failure or delay of the holder of this Note to exercise any option available under the terms of this Note, the Contract or any of the Financing Documents will not constitute a waiver of the right to exercise the option in the event of any continuing or subsequent default of the same or of any other provision. Presentment, dishonor, notice of dishonor, and protest are hereby waived.

To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Note is entitled to recover its reasonable attorneys' fees and costs at trial and on appeal. Reasonable attorneys' fees cannot exceed the rate charged to IFA by its attorneys. The Recipient shall, on demand, pay to IFA reasonable expenses incurred by IFA in the collection of Loan payments.

The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Note, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Notice to Recipient: Do not sign this Note before you read it.

MULTNOMAH COUNTY

By: _____XXXXXXXXXXXXXXXXXXXX

Title: _____XXXXXXXXXXXXXXXXXXXX

Sample

I. PROJECT DESCRIPTION

The Recipient shall complete, or shall cause to be completed, engineering assessments of the current condition of the Multnomah County Drainage District No. 1 (MCDD) and Sandy Drainage Improvement Company (SDIC) levee systems as well as the interior drainage systems operating behind them, in compliance with National Flood Insurance Program levee accreditation standards documented in 44 CFR 65.10, through the Federal Emergency Management Agency (FEMA). In addition, Recipient will conduct mandatory inspections on levee infrastructure as a necessary step for MCDD and SDIC to remain active in the U.S. Army Corps of Engineers' Rehabilitation and Inspection Program (RIP) by receiving a rating of Minimally Acceptable or better.

Inventories and studies must be sufficient to allow the community to assess the resources protected and areas that could be improved for the desired level of protection, which will inform the development of alternatives to repair deficiencies identified by the levee engineering assessments. The Project will also include engineering review and project management activities delivered by MCDD.

Specific project tasks include, but are not limited to:

- Engineering Assessments (Phases 1-3)
 - Phase 1 - Background Research and Gap Analysis
 - Phase 2 - Work Plan, Data Collection, and Analysis
 - Embankment Erosion and Scour Protection Analyses
 - Embankment and Foundation Stability and Potential Seepage Analyses
 - Analyses of Potential Settlement and Loss of Levee Freeboard
 - Review of operation and maintenance plans and emergency operations plans
 - Compilation of final certification package to submit to FEMA for accreditation
 - Phase 3 - Additional Water Elevation Analyses
- Survey, Cross-Sections, and Encroachment Evaluations
- Interior Drainage Modeling Reports
- Rehabilitation and Inspection Program Compliance
- Environmental, Economic and Community Asset Inventories and Climate Change Study

II. PROJECT SPECIAL CONDITION

Engineering expenses incurred between 1 July 2015 and the date of award are eligible for reimbursement.

Exhibit E: Project Budget

	IFA Funds	Other / Matching Funds
Activity	Approved Budget	Approved Budget
Engineering Pre-Award Expenses	\$140,000	
Engineering	2,794,927	
Inventories & Studies	164,370	
Project Management	144,078	
Contingency	324,337	
Total	\$3,567,712	

SPECIAL PUBLIC WORKS FUND PLANNING PROJECT
FINANCING CONTRACT

Project Name: Multnomah County Levee Accreditation Evaluation for “Levee Ready Columbia” (Sauvie Island Drainage Improvement Company)

Project Number: J16002

This financing contract (“Contract”), dated as of the date the Contract is fully executed, is made by the State of Oregon, acting by and through the Oregon Infrastructure Finance Authority (“IFA”), and Multnomah County (“Recipient”) for financing of the project referred to above and described in Exhibit D (“Project”). This Contract becomes effective only when fully signed and approved as required by applicable law. Capitalized terms not defined in section 1 and elsewhere in the body of the Contract have the meanings assigned to them by Exhibit A.

This Contract includes the following exhibits, listed in descending order of precedence for purposes of resolving any conflict between two or more of the parts:

- Exhibit A: General Definitions
- Exhibit B: Security
- Exhibit C-1: Form of C-1 Promissory Note
- Exhibit C-2: Form of C-2 Promissory Note
- Exhibit D: Project Description
- Exhibit E: Project Budget

SECTION 1 - KEY TERMS

The following capitalized terms have the meanings assigned below.

“Estimated Project Cost” means \$399,000.

“Grant Amount” means \$50,000.

“Loan Amount” means \$332,800.

“Maturity Date” means the 6th anniversary of the Repayment Commencement Date.

“C-1 Loan Amount” means \$191,400.

“C-2 Loan Amount” means \$141,400.

“C-1 Note Interest Rate” means 0% per annum, computed on the basis of a 360-day year, consisting of twelve 30-day months.

“C-2 Note Interest Rate” means 1.84% per annum, computed on the basis of a 360-day year, consisting of twelve 30-day months.

“Payment Date” means December 1.

“Project Closeout Deadline” means 90 days after the earlier of the Project Completion Date or the Project Completion Deadline.

“Project Completion Deadline” means December 31, 2018.

“Repayment Commencement Date” means the first Payment Date to occur after the Project Closeout Deadline.

SECTION 2 - FINANCIAL ASSISTANCE

Commitment. The IFA shall provide Recipient, and Recipient shall accept from IFA, financing for the Project specified below:

- (1) A grant in an aggregate amount not to exceed the Grant Amount (the “Grant”).
- (2) A non-revolving loan in an aggregate principal amount not to exceed the lesser of the C-1 Loan Amount (“C-1 Loan”).
- (3) A non-revolving loan in an aggregate principal amount not to exceed the lesser of the C-2 Loan Amount (“C-2 Loan”).

“Loan” means collectively and individually without distinction, as the context requires, the C-1 Loan and the C-2 Loan.

Notwithstanding the above, the aggregate total of Financing Proceeds disbursed under this Contract cannot exceed the Costs of the Project.

SECTION 3 - DISBURSEMENTS

- A. **Reimbursement Basis.** The Financing Proceeds shall be disbursed to Recipient on an expense reimbursement or costs-incurred basis. The Recipient must submit each disbursement request for the Financing Proceeds on an IFA-provided or IFA-approved disbursement request form (“Disbursement Request”).
- B. **Financing Availability.** The IFA’s obligation to make and Recipient’s right to request disbursements under this Contract terminates on the Project Closeout Deadline.
- C. **Order of Disbursement.** The Recipient authorizes IFA to determine whether disbursements will be drawn from the Loan or the Grant, and record the date and amount of each such disbursement. Absent manifest error, such notations will be conclusive evidence for determining accrual of interest on the principal balance of the Loan and the remaining Loan or Grant amount available for disbursement.

SECTION 4 - LOAN PAYMENT; PREPAYMENT

- A. **Promise to Pay.** The Recipient shall repay the Loan and all amounts due under this Contract and the Note in accordance with their terms. Payments required under this Contract are, without limitation, payable from the sources of repayment described in the Act and this Contract, including but not limited to Exhibit B, and the obligation of Recipient to make all payments is absolute and unconditional. Payments will not be abated, rebated, set-off, reduced, abrogated, terminated, waived, postponed or otherwise modified in any manner whatsoever. Payments cannot remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project, commercial frustration of purpose, any change in the laws, rules or regulations of the United States of America or of the State of Oregon or any political subdivision or governmental authority, nor any failure of IFA to perform any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with the Project or this Contract, or any rights of set off, recoupment, abatement or counterclaim that Recipient might otherwise have against IFA or any other party or parties; provided further, that payments hereunder will not constitute a waiver of any such rights.

- B. Interest. Interest accrues at the Note Interest Rate on each disbursement from the date of disbursement until the Loan is fully paid. All unpaid interest accrued to the Repayment Commencement Date is (in addition to the first regular installment payment due) payable on the Repayment Commencement Date.
- C. Loan Payments. Starting on the Repayment Commencement Date and then on each succeeding Payment Date, Recipient shall make level installment payments of principal and interest, each payment sufficient to pay the interest accrued to the date of payment and so much of the principal as will fully amortize the Loan by the Maturity Date, on which date the entire outstanding balance of the Loan is due and payable in full.
- D. Loan Prepayments. The Recipient may prepay all or part of the outstanding balance of the Loan on any day except a Saturday, Sunday, legal holiday or day that banking institutions in Salem, Oregon are closed.
- E. Application of Payments. Regardless of any designation by Recipient, payments and prepayments by Recipient under this Contract or any of the Financing Documents will be applied first to any expenses of IFA, including but not limited to attorneys' fees, then to unpaid accrued interest (in the case of prepayment, on the amount prepaid), then to the principal of the Loan. In the case of a Loan prepayment that does not prepay all the principal of the Loan, IFA will determine, in its sole discretion, the method for how the Loan prepayment will be applied to the outstanding principal payments. A scheduled payment received before the scheduled repayment date will be applied to interest and principal on the scheduled repayment date, rather than on the day such payment is received.

SECTION 5 - CONDITIONS PRECEDENT

- A. Conditions Precedent to IFA's Obligations. The IFA's obligations are subject to the receipt of the following items, in form and substance satisfactory to IFA and its Counsel:
- (1) This Contract duly signed by an authorized officer of Recipient.
 - (2) The C-1 Note and C-2 Note duly signed by an authorized officer of Recipient.
 - (3) A copy of the ordinance, order or resolution of the governing body of Recipient authorizing the borrowing and the contemplated transactions and the execution and delivery of this Contract, the Note and the other Financing Documents.
 - (4) An opinion of Recipient's Counsel.
 - (5) Such other certificates, documents, opinions and information as IFA may reasonably require.
- B. Conditions to Disbursements. As to any disbursement, IFA has no obligation to disburse funds unless all following conditions are met:
- (1) There is no Default or Event of Default.
 - (2) The representations and warranties made in this Contract are true and correct on the date of disbursement as if made on such date.
 - (3) The IFA, in the reasonable exercise of its administrative discretion, has sufficient moneys in the Fund for use in the Project and has sufficient funding, appropriations, limitations, allotments and other expenditure authority to make the disbursement.
 - (4) The IFA (a) has received a completed Disbursement Request, (b) has received any written evidence of materials and labor furnished to or work performed upon the Project, itemized receipts or invoices for payment, and releases, satisfactions or other signed statements or forms

as IFA may require, (c) is satisfied that all items listed in the Disbursement Request are reasonable and that the costs for labor and materials were incurred and are properly included in the Costs of the Project, and (d) has determined that the disbursement is only for costs defined as eligible costs under the Act and any implementing administrative rules and policies.

- (5) The Recipient has delivered documentation satisfactory to IFA that, in addition to the Financing Proceeds, Recipient has available or has obtained binding commitments for all funds necessary to complete the Project.
- (6) Any conditions to disbursement elsewhere in this Contract or in the other Financing Documents are met.

SECTION 6 - USE OF FINANCIAL ASSISTANCE

- A. Use of Proceeds. The Recipient shall use the Financing Proceeds only for the activities described in Exhibit D and according to the budget in Exhibit E. The Recipient may not transfer Financing Proceeds among line items in the budget without the prior written consent of IFA.
- B. Costs of the Project. The Recipient shall apply the Financing Proceeds to the Costs of the Project in accordance with the Act, and Oregon law as applicable. Financing Proceeds cannot be used for costs in excess of one hundred percent (100%) of the total Costs of the Project and cannot be used for pre-Award Costs of the Project, unless permitted by Exhibit D.
- C. Costs Paid for by Others. The Recipient may not use any of the Financing Proceeds to cover costs to be paid for by other financing for the Project from another State of Oregon agency or any third party.

SECTION 7 - REPRESENTATIONS AND WARRANTIES OF RECIPIENT

The Recipient represents and warrants to IFA:

- A. Estimated Project Cost, Funds for Repayment. A reasonable estimate of the Costs of the Project is shown in section 1, and the Project is fully funded. The Recipient will have adequate funds available to repay the Loan, and the Maturity Date does not exceed the usable life of the Project.
- B. Organization and Authority.
 - (1) The Recipient is a Municipality under the Act, and validly organized and existing under the laws of the State of Oregon.
 - (2) The Recipient has all necessary right, power and authority under its organizational documents and under Oregon law to (a) execute and deliver this Contract and the other Financing Documents, (b) incur and perform its obligations under this Contract and the other Financing Documents, and (c) borrow and receive financing for the Project.
 - (3) This Contract, the Note and the other Financing Documents have been duly executed by Recipient, and when executed by IFA, are legal, valid and binding, and enforceable in accordance with their terms.
 - (4) This Contract, the Note and the other Financing Documents executed and delivered by Recipient have been authorized by an ordinance, order or resolution of Recipient's governing body, and voter approval, if necessary, that was adopted in accordance with applicable law and requirements for filing public notices and holding public meetings.
- C. Full Disclosure. The Recipient has disclosed in writing to IFA all facts that materially adversely affect the Project, or the ability of Recipient to make all payments and perform all obligations

required by this Contract, the Note and the other Financing Documents. The Recipient has made no false statements of fact, nor has it omitted information necessary to prevent any statements from being misleading. The information contained in this Contract and the other Financing Documents is true and accurate in all respects.

- D. Pending Litigation. The Recipient has disclosed in writing to IFA all proceedings pending (or to the knowledge of Recipient, threatened) against or affecting Recipient, in any court or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would materially adversely affect the Project or the ability of Recipient to make all payments and perform all obligations required by this Contract, the Note and the other Financing Documents.
- E. No Defaults.
- (1) No Defaults or Events of Default exist or occur upon authorization, execution or delivery of this Contract or any of the Financing Documents.
 - (2) The Recipient has not violated, and has not received notice of any claimed violation of, any agreement or instrument to which it is a party or by which the Project or its property may be bound, that would materially adversely affect the Project or the ability of Recipient to make all payments and perform all obligations required by this Contract, the Note and the other Financing Documents.
- F. Compliance with Existing Agreements and Applicable Law. The authorization and execution of, and the performance of all obligations required by, this Contract and the other Financing Documents will not: (i) cause a breach of any agreement, indenture, mortgage, deed of trust, or other instrument, to which Recipient is a party or by which the Project or any of its property or assets may be bound; (ii) cause the creation or imposition of any third party lien, charge or encumbrance upon any property or asset of Recipient; (iii) violate any provision of the charter or other document pursuant to which Recipient was organized or established; or (iv) violate any laws, regulations, ordinances, resolutions, or court orders related to Recipient, the Project or its properties or operations.

SECTION 8 - COVENANTS OF RECIPIENT

The Recipient covenants as follows:

- A. Notice of Adverse Change. The Recipient shall promptly notify IFA of any adverse change in the activities, prospects or condition (financial or otherwise) of Recipient or the Project related to the ability of Recipient to make all payments and perform all obligations required by this Contract, the Note or the other Financing Documents.
- B. Compliance with Laws. The Recipient shall comply with all applicable laws, rules, regulations and orders of any court or governmental authority that relate to this Contract or the other Financing Documents, or the Project. In particular, but without limitation, Recipient shall comply with the following, as applicable:
- (1) State procurement regulations found in the Oregon Public Contracting Code, ORS chapters 279A, 279B and 279C.
 - (2) OAR 123-042-0165 (5) requirements for signs and notifications.

These laws, rules, regulations and orders are incorporated by reference in this Contract to the extent required by law.

- C. Project Completion Obligations. The Recipient shall:

- (1) When procuring professional consulting services, provide IFA with copies of all solicitations at least 10 days before advertising, and all contracts at least 10 days before signing.
 - (2) Complete the Project using its own fiscal resources or money from other sources to pay for any Costs of the Project in excess of the total amount of financial assistance provided pursuant to this Contract.
 - (3) Complete the Project no later than the Project Completion Deadline, unless otherwise permitted by the IFA in writing.
 - (4) No later than the Project Closeout Deadline, provide IFA with a final project completion report on a form provided by IFA, including Recipient's certification that the Project is complete, all payments are made, and no further disbursements are needed; provided however, for the purposes of this Contract, IFA will be the final judge of the Project's completion.
- D. Inspections; Information. The Recipient shall permit IFA and any party designated by IFA: (i) to inspect, at any reasonable time, the property, if any, constituting the Project; and (ii) at any reasonable time, to inspect and make copies of any accounts, books and records, including, without limitation, its records regarding receipts, disbursements, contracts, investments and any other related matters, and financial statements or other documents related to its financial standing. The Recipient shall supply any related reports and information as IFA may reasonably require. In addition, Recipient shall, upon request, provide IFA with copies of loan documents or other financing documents and any official statements or other forms of offering prospectus relating to any other bonds, notes or other indebtedness of Recipient that are issued after the date of this Contract.
- E. Records Maintenance. Recipient shall retain and keep accessible all books, documents, papers, and records that are directly related to this Contract, the Project or the Financing Proceeds for a minimum of six years, or such longer period as may be required by other provisions of this Contract or applicable law, following the Project Closeout Deadline. If there are unresolved issues at the end of such period, Recipient shall retain the books, documents, papers and records until the issues are resolved.
- F. Economic Benefit Data. The IFA may require Recipient to submit specific data on the economic development benefits of the Project and other information to evaluate the success and economic impact of the Project, from the date of this Contract until six years after the Project Completion date. The Recipient shall, at its own expense, prepare and submit the data within the time specified by IFA.
- G. Minority, Women & Emerging Small Business. ORS 200.090 requires all public agencies to "aggressively pursue a policy of providing opportunities for available contracts to emerging small businesses..." The IFA encourages Recipient in any contracting activity to follow good faith efforts as described in ORS 200.045. Additional resources are provided by the Governor's Policy Advisor for Economic and Business Equity. Also, the Office of Minority, Women, and Emerging Small Business at the Oregon Business Development Department maintains a list of certified firms and can answer questions. Search for certified MWESB firms on the web at: <https://oregon4biz.diversitysoftware.com/FrontEnd/VendorSearchPublic.asp>.
- H. Professional Responsibility. All service providers retained for their professional expertise must be certified, licensed, or registered, as appropriate, in the State of Oregon for their specialty.
- I. Notice of Default. The Recipient shall give IFA prompt written notice of any Default as soon as any senior administrative or financial officer of Recipient becomes aware of its existence or reasonably believes a Default is likely.

- J. Indemnity. To the extent authorized by law, Recipient shall defend (subject to ORS chapter 180), indemnify, save and hold harmless IFA and its officers, employees and agents from and against any and all claims, suits, actions, proceedings, losses, damages, liability and court awards including costs, expenses, and attorneys' fees incurred related to any actual or alleged act or omission by Recipient, or its employees, agents or contractors; however, the provisions of this section are not to be construed as a waiver of any defense or limitation on damages provided for under Chapter 30 of the Oregon Revised Statutes or under the laws of the United States or other laws of the State of Oregon.
- K. Further Assurances. The Recipient shall, at the request of IFA, authorize, sign, acknowledge and deliver any further resolutions, conveyances, transfers, assurances, financing statements and other instruments and documents as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Contract and the other Financing Documents.

SECTION 9 - DEFAULTS

Any of the following constitutes an "Event of Default":

- A. The Recipient fails to make any Loan payment when due.
- B. The Recipient fails to make, or cause to be made, any required payments of principal, redemption premium, or interest on any bonds, notes or other material obligations, for any other loan made by the State of Oregon.
- C. Any false or misleading representation is made by or on behalf of Recipient, in this Contract, in any other Financing Document or in any document provided by Recipient related to this Loan or the Project.
- D. (1) A petition, proceeding or case is filed by or against Recipient under any federal or state bankruptcy or insolvency law, and in the case of a petition filed against Recipient, Recipient acquiesces to such petition or such petition is not dismissed within 20 calendar days after such filing, or such dismissal is not final or is subject to appeal;
- (2) The Recipient files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, dissolution, winding-up or composition or adjustment of debts;
- (3) The Recipient becomes insolvent or bankrupt or admits its inability to pay its debts as they become due, or makes an assignment for the benefit of its creditors;
- (4) The Recipient applies for or consents to the appointment of, or taking of possession by, a custodian (including, without limitation, a receiver, liquidator or trustee) of Recipient or any substantial portion of its property; or
- (5) The Recipient takes any action for the purpose of effecting any of the above.
- E. The Recipient defaults under any other Financing Document and fails to cure such default within the applicable grace period.
- F. The Recipient fails to perform any obligation required under this Contract, other than those referred to in subsections A through E of this section 9, and that failure continues for a period of 30 calendar days after written notice specifying such failure is given to Recipient by IFA. The IFA may agree in writing to an extension of time if it determines Recipient instituted and has diligently pursued corrective action.

SECTION 10 - REMEDIES

- A. Remedies. Upon any Event of Default, IFA may pursue any or all remedies in this Contract, the Note or any other Financing Document, and any other remedies available at law or in equity to collect amounts due or to become due or to enforce the performance of any obligation of Recipient. Remedies may include, but are not limited to:
- (1) Terminating IFA's commitment and obligation to make the Loan or Grant or disbursements under the Contract.
 - (2) Barring Recipient from applying for future awards.
 - (3) Withholding amounts otherwise due to Recipient for application to the payment of amounts due under this Contract, including as provided in ORS 285B.449; however, this provision is not to be construed in a way that Recipient's obligations would constitute debt that violates Section 10, Article XI of the Oregon Constitution.
 - (4) Requiring repayment of the Grant and all interest earned by Recipient on those Grant funds.
 - (5) Declaring all payments under the Note and all other amounts due under any of the Financing Documents immediately due and payable, and upon notice to Recipient the same become due and payable without further notice or demand.
 - (6) Foreclosing liens or security interests pursuant to this Contract or any other Financing Document.
- B. Application of Moneys. Any moneys collected by IFA pursuant to section 10.A will be applied first, to pay any attorneys' fees and other fees and expenses incurred by IFA; then, as applicable, to repay any Grant proceeds owed; then, to pay interest due on the Loan; then, to pay principal due on the Loan; and last, to pay any other amounts due and payable under this Contract or any of the Financing Documents.
- C. No Remedy Exclusive; Waiver; Notice. No remedy available to IFA is intended to be exclusive, and every remedy will be in addition to every other remedy. No delay or omission to exercise any right or remedy will impair or is to be construed as a waiver of such right or remedy. No single or partial exercise of any right power or privilege under this Contract or any of the Financing Documents will preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. The IFA is not required to provide any notice in order to exercise any right or remedy, other than notice required in section 9 of this Contract.
- D. Default by IFA. In the event IFA defaults on any obligation in this Contract, Recipient's remedy will be limited to injunction, special action, action for specific performance, or other available equitable remedy for performance of IFA's obligations.

SECTION 11 - MISCELLANEOUS

- A. Time is of the Essence. The Recipient agrees that time is of the essence under this Contract and the other Financing Documents.
- B. Relationship of Parties; Successors and Assigns; No Third Party Beneficiaries.
- (1) The parties agree that their relationship is that of independent contracting parties and that Recipient is not an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265.

H. Attorneys' Fees and Other Expenses. To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Contract is entitled to recover its reasonable attorneys' fees and costs at trial and on appeal. Reasonable attorneys' fees cannot exceed the rate charged to IFA by its attorneys. The Recipient shall, on demand, pay to IFA reasonable expenses incurred by IFA in the collection of Loan payments.

I. Choice of Law; Designation of Forum; Federal Forum. The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Contract, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Any party bringing a legal action or proceeding against any other party arising out of or relating to this Contract shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

Notwithstanding the prior paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

J. Integration. This Contract (including all exhibits, schedules or attachments) and the other Financing Documents constitute the entire agreement between the parties on the subject matter. There are no unspecified understandings, agreements or representations, oral or written, regarding this Contract.

K. Execution in Counterparts. This Contract may be signed in several counterparts, each of which is an original and all of which constitute one and the same instrument.

The Recipient, by its signature below, acknowledges that it has read this Contract, understands it, and agrees to be bound by its terms and conditions.



STATE OF OREGON
acting by and through the
Oregon Infrastructure Finance Authority



MULTNOMAH COUNTY

By: _____
Robert Ault, Interim Assistant Director

By: _____
Deborah Kafoury, Chair

Date: _____

Date: _____

APPROVED AS TO LEGAL SUFFICIENCY IN ACCORDANCE WITH ORS 291.047:

[/s/ _____ as per email dated _____]

DRAFT

EXHIBIT A - GENERAL DEFINITIONS

As used in this Contract, the following terms have the meanings below.

“Act” means ORS 285B.410 through 285B.482, as amended.

“Award” means the award of financial assistance to Recipient by IFA dated 23 Nov 2015.

“Costs of the Project” means Recipient’s actual costs (including any financing costs properly allocable to the Project) that are (a) reasonable, necessary and directly related to the Project, (b) permitted by generally accepted accounting principles to be Costs of the Project, and (c) are eligible or permitted uses of the Financing Proceeds under applicable state or federal statute and rule.

“C-1 Note” means that certain promissory note evidencing the C-1 Loan, substantially in the form of Exhibit C-1, as amended, extended or renewed from time to time.

“C-2 Note” means that certain promissory note evidencing the C-2 Loan, substantially in the form of Exhibit C-2, as amended, extended or renewed from time to time.

“Counsel” means an attorney at law or firm of attorneys at law duly admitted to practice law before the highest court of any state, who may be of counsel to, or an employee of, IFA or Recipient.

“Default” means an event which, with notice or lapse of time or both, would become an Event of Default.

“Financing Documents” means this Contract and all agreements, instruments, documents and certificates (including but not limited to all promissory notes) executed pursuant to or in connection with IFA’s financing of the Project.

“Financing Proceeds” means the proceeds of the Grant and Loan collectively or individually without distinction.

“Municipality” means any entity described in ORS 285B.410(8).

“Note” means collectively and individually without distinction, the C-1 Note and the C-2 Note.

“ORS” means the Oregon Revised Statutes.

“Project Completion Date” means the date on which Recipient completes the Project.

EXHIBIT B - SECURITY

General Fund Pledge. The Recipient pledges its full faith and credit and taxing power within the limitations of Article XI, sections 11 and 11 b, of the Oregon Constitution to pay the amounts due under this Contract and the Note. This Contract and the Note are payable from all legally available funds of Recipient.

DRAFT

EXHIBIT C-1 - FORM OF PROMISSORY NOTE

**Multnomah County
PROMISSORY NOTE**

Dated XXXXXXXXXXXXXXXXXX, XXXX

Portland, Oregon

FOR VALUE RECEIVED, Multnomah County, 501 SE Hawthorne Boulevard, Suite 531, Portland, OR 97214 (“Recipient”), unconditionally promises to pay in lawful money of the United States of America to the order of the STATE OF OREGON, ACTING BY AND THROUGH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY (“IFA”), at its principal office at 775 Summer Street NE, Suite 200, Salem, OR 97301-1280, or such other place as IFA or other holder of this Note may designate, the principal sum of One Hundred and Ninety-One Thousand, Four Hundred Dollars (\$191,400) or so much as is disbursed under the Contract (as defined below), plus interest on each disbursement at the Note Interest Rate of Zero percent (0%) per annum, from the disbursement date until paid. Interest will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

This Note is subject to and secured by that certain contract, number J16002, between IFA and Recipient (as amended from time to time; the “Contract”). Capitalized terms not otherwise defined in this Note will have the meanings assigned to them by the Contract.

The Recipient shall make level installment payments of principal and interest, commencing on the Repayment Commencement Date and thereafter on each Payment Date. Each such installment will be in an amount sufficient to pay the interest accrued to the date of payment and so much of the principal as will fully amortize the Loan by the Maturity Date. Notwithstanding the above, the first such installment payment will be adjusted to include actual unpaid interest that accrued to the Repayment Commencement Date. On the Maturity Date, the entire outstanding principal balance and all accrued unpaid interest will be due and payable in full.

This Note is subject to mandatory prepayment and is payable prior to its maturity, and each payment made by Recipient will be applied as provided in section 4 (Loan Payment; Prepayment) of the Contract.

This Note is given to avoid the execution by Recipient of an individual note for each disbursement of Loan proceeds by IFA to Recipient in accordance with section 3 (Disbursements) of the Contract. The Recipient authorizes IFA to record the date and amount of each such disbursement, the date and amount of each payment and prepayment by Recipient, and the amount of interest accrued and paid. Absent manifest error, such notations will be conclusive evidence of borrowing, payments and interest under this Note; provided, however, that failure to make any such notations will not affect the obligations of Recipient under this Note or the Contract.

If any Event of Default occurs, the outstanding balance of the Note (including principal, interest and other charges, if any), at the option of IFA, becomes immediately due and payable in accordance with section 10 (Remedies) of the Contract. Failure or delay of the holder of this Note to exercise any option available under the terms of this Note, the Contract or any of the Financing Documents will not constitute a waiver of the right to exercise the option in the event of any continuing or subsequent default of the same or of any other provision. Presentment, dishonor, notice of dishonor, and protest are hereby waived.

To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Note is entitled to recover its reasonable attorneys' fees and costs at trial and on appeal. Reasonable attorneys' fees cannot exceed the rate charged to IFA by its attorneys. The Recipient shall, on demand, pay to IFA reasonable expenses incurred by IFA in the collection of Loan payments.

The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Note, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Notice to Recipient: Do not sign this Note before you read it.

MULTNOMAH COUNTY

By: _____XXXXXXXXXXXXXXXXXXXXXXXXXX

Title: _____XXXXXXXXXXXXXXXXXXXXXXXXXX

Sample
DRAFT

EXHIBIT C-2 - FORM OF PROMISSORY NOTE

**Multnomah County
PROMISSORY NOTE**

Dated XXXXXXXXXXXXXXXXXX, XXXX

Portland, Oregon

FOR VALUE RECEIVED, Multnomah County, 501 SE Hawthorne Boulevard, Suite 531, Portland, OR 97214 (“Recipient”), unconditionally promises to pay in lawful money of the United States of America to the order of the STATE OF OREGON, ACTING BY AND THROUGH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY (“IFA”), at its principal office at 775 Summer Street NE, Suite 200, Salem, OR 97301-1280, or such other place as IFA or other holder of this Note may designate, the principal sum of One Hundred and Forty-One Thousand, Four Hundred Dollars (\$141,400) or so much as is disbursed under the Contract (as defined below), plus interest on each disbursement at the Note Interest Rate of One and 84/100 percent (1.84%) per annum, from the disbursement date until paid. Interest will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

This Note is subject to and secured by that certain contract, number J16002, between IFA and Recipient (as amended from time to time; the “Contract”). Capitalized terms not otherwise defined in this Note will have the meanings assigned to them by the Contract.

The Recipient shall make level installment payments of principal and interest, commencing on the Repayment Commencement Date and thereafter on each Payment Date. Each such installment will be in an amount sufficient to pay the interest accrued to the date of payment and so much of the principal as will fully amortize the Loan by the Maturity Date. Notwithstanding the above, the first such installment payment will be adjusted to include actual unpaid interest that accrued to the Repayment Commencement Date. On the Maturity Date, the entire outstanding principal balance and all accrued unpaid interest will be due and payable in full.

This Note is subject to mandatory prepayment and is payable prior to its maturity, and each payment made by Recipient will be applied as provided in section 4 (Loan Payment; Prepayment) of the Contract.

This Note is given to avoid the execution by Recipient of an individual note for each disbursement of Loan proceeds by IFA to Recipient in accordance with section 3 (Disbursements) of the Contract. The Recipient authorizes IFA to record the date and amount of each such disbursement, the date and amount of each payment and prepayment by Recipient, and the amount of interest accrued and paid. Absent manifest error, such notations will be conclusive evidence of borrowing, payments and interest under this Note; provided, however, that failure to make any such notations will not affect the obligations of Recipient under this Note or the Contract.

If any Event of Default occurs, the outstanding balance of the Note (including principal, interest and other charges, if any), at the option of IFA, becomes immediately due and payable in accordance with section 10 (Remedies) of the Contract. Failure or delay of the holder of this Note to exercise any option available under the terms of this Note, the Contract or any of the Financing Documents will not constitute a waiver of the right to exercise the option in the event of any continuing or subsequent default of the same or of any other provision. Presentment, dishonor, notice of dishonor, and protest are hereby waived.

To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Note is entitled to recover its reasonable attorneys' fees and costs at trial and on appeal. Reasonable attorneys' fees cannot exceed the rate charged to IFA by its attorneys. The Recipient shall, on demand, pay to IFA reasonable expenses incurred by IFA in the collection of Loan payments.

The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Note, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Notice to Recipient: Do not sign this Note before you read it.

MULTNOMAH COUNTY

By: _____XXXXXXXXXXXXXXXXXXXXXXXXXX

Title: _____XXXXXXXXXXXXXXXXXXXXXXXXXX

Sample
DRAFT

EXHIBIT D - PROJECT DESCRIPTION

The Recipient shall complete an engineering evaluation of the current condition of the Sauvie Island Drainage Improvement Company levee systems as well as the interior drainage systems operating behind them, in accordance with National Flood Insurance Program (NFIP) levee accreditation standards documented in 44 CFR 65.10 as issued by the Federal Emergency Management Agency.

The evaluation will be completed in two parts:

- 1) A levee system evaluation will be completed by the US Army Corps of Engineers (Corps) in accordance with the procedures outlined in Corps' process for the NFIP Levee System Evaluation (EC 1110-2-6067) for providing 1-percent-annual-chance flood protection.

Specific tasks include but are not limited to:

- Hydrology and hydraulic evaluation, including evaluation of freeboard, scouring, and ability of structures to withstand flood.
 - Geotechnical evaluation, including evaluation and analysis of encroachments, settlement, stability, and seepage.
 - Mechanical evaluation of the main pump house, reports, and operations and maintenance plans.
 - Electrical evaluation of the main pump house.
 - Structural evaluation of the main pump house and closures.
 - Third party technical review for quality assurance.
- 2) An Interior Drainage Analysis will be completed by a licensed engineer. The analysis will consist of an evaluation of the adequacy of interior drainage systems to protect against the 1-percent-annual-chance flood including evaluation of storage areas, gravity outlets, pumping stations, and combinations of the foregoing. Specific tasks include analysis of interior flooding, identification of areas of internal flooding on site map, base flood elevations for areas with greater than 1 foot of flooding, pump station capacity, and coincidental peak analysis.

INTERGOVERNMENTAL AGREEMENT
for
Levee Analysis Cost-Sharing
Phase II (Sauvie Island)

This Intergovernmental Agreement (this “Agreement”) is authorized by ORS 190.010 and is made and entered into as of December 3, 2015 (the “Effective Date”) by and among Multnomah County (the “County”), a home rule county of the State of Oregon, the Port of Portland (the “Port”), a port district of the state of Oregon, and Sauvie Island Drainage Improvement Company (“SIDIC”), a nonprofit drainage improvement corporation organized under ORS Chapter 554 (collectively, the “Parties,” and each individually a “Party”).

RECITALS

- A. SIDIC operates and maintains levees and drainage facilities on Sauvie Island (the “System”).
- B. The Federal Emergency Management Agency (“FEMA”) provides federal assistance in the form of flood insurance to property owners located within areas at risk of flooding, provided the communities in which those properties are located participate in the National Flood Insurance Program (the “NFIP”). FEMA recognizes levees as providing flood protection to a particular area only if they are “certified” by a qualified private engineer or an eligible federal agency such as the US Army Corps of Engineers (the “Corps”), and then “accredited” by FEMA.
- C. The Corps evaluated and certified the System in 2007, which led to its accreditation by FEMA. The certification is valid until 2017. Expiration of the certification in 2017 could lead to de-accreditation by FEMA, and the certification must be renewed to remain accredited by FEMA.
- D. The land protected by the System is within the County’s jurisdictional boundaries, and such land is important to the local economy. As a result, each Party would therefore be negatively affected by the economic consequences of losing the federal assistance offered by the NFIP and the potential impact of local floodplain development standards if the System is de-accredited.
- E. In order to renew the System’s certification, engineering analysis must be performed to ascertain the System’s flood-control capacity (the “SIDIC Analysis”). SIDIC has or will enter into contracts with one or more consultants, which may include the Corps, to complete the SIDIC Analysis.
- F. Business Oregon’s Infrastructure Finance Authority (the “IFA”) has approved a grant of \$50,000 for a portion of the SIDIC Analysis, a 0%-interest loan in the amount of \$166,400 (the “0% Portion”), and a 1.89% loan in the amount of \$166,400 (the “2% Portion”, and with the 0% Portion, the “Loan Portion”), all to be awarded to the County to finance much of the cost of the SIDIC Analysis (collectively, such award to the County, the “Loan”). The Parties

anticipate that Loan disbursements will be made first from the Grant Portion, then from the 0% Portion, and last from the 2% Portion.

- G. The County has offered to contract for, receive, and manage the Loan and its repayment on SIDIC's behalf. A copy of the draft Special Public Works Fund Planning Project Financing Contract is attached as Exhibit A. The Port and SIDIC have offered to reimburse the County for some portion of the Loan Portion principal and interest. The Parties wish to enter into this Agreement to effectuate these financial arrangements.
- H. Other engineering analysis similar to the SIDIC Analysis has already been performed on the levee systems in Peninsula Drainage District No. 1 and Peninsula Drainage District No. 2. Additionally, Multnomah County Drainage District No. 1 and the Sandy Drainage Improvement Company (collectively, the "East Districts") will be contracting for similar analysis to be performed on the levee systems maintained by the East Districts at or around the same time as the SIDIC Analysis (such analysis by the East Districts, together with the SIDIC Analysis, "Phase II").
- I. Pursuant to a separate agreement with the State of Oregon's Business Oregon, the County will receive \$300,000 to be used to support Phase II (the "Regional Solutions Support"). The Parties understand that \$33,915 of the Regional Solutions Support will be used to reduce the amount of the SIDIC Analysis that will be financed with the Loan; \$166,085 will be used to reduce the amount the work to be done in the East Districts that will be financed with debt, and the remaining \$100,000 will be used to pay for certain expenses related to Phase II that are not eligible to be financed with the Loan.

TERMS

The Parties agree as follows:

- 1. The County will apply for the Loan for a maximum amount of \$382,800. The Parties acknowledge and understand that the County and the IFA will be the sole parties to the Loan, that no other Party or entity will participate in the negotiations thereof, and that only the County and SIDIC will have any rights or obligations under the Loan or to the IFA.
- 2. Notwithstanding the definition of "Recipient" as a reference to the County in the Loan terms, SIDIC will fulfill all of the following obligations, as they may appear in the Loan terms and as interpreted by the County:
 - a. Apply the Loan proceeds and any funds received from the County pursuant to this Agreement (collectively, the "Project Proceeds") only to the costs of the SIDIC Analysis; comply with deadlines relevant to the SIDIC Analysis; complete the SIDIC Analysis with funds other than the Project Proceeds once SIDIC has received \$382,800 of Project Proceeds; and undergo required audits.

- b. SIDIC represents and warrants to the County that a reasonable estimate of the cost of the SIDIC Analysis is \$399,000; that SIDIC has secured funding for the additional \$16,200; and that SIDIC will have adequate funds available to pay for the SIDIC Analysis to the extent the cost thereof exceeds \$399,000.
- c. To the best of its knowledge, SIDIC has disclosed in writing to the County all facts that materially adversely affect the SIDIC Analysis, SIDIC's ability to perform all obligations required by this Agreement, or the ability of the County to make all payments and perform all obligations required by its Financing Contract with the IFA. SIDIC shall promptly notify the County of any adverse change in the activities, prospects, or condition (financial or otherwise) of SIDIC or the SIDIC Analysis related to the ability of SIDIC to perform all obligations required by this Agreement.
- d. SIDIC will comply with all applicable law, including but not limited to obtaining all applicable permits and approvals that may be necessary for performing the SIDIC Analysis.
- e. SIDIC will ensure all service providers performing the SIDIC Analysis who are retained for their professional expertise are certified, licensed, or registered, as appropriate, in the State of Oregon for their professional specialties.
- f. SIDIC will comply with all obligations to comply with the policies of the IFA, including but not limited to contracting requirements, and with state procurement regulations found in the Oregon Public Contracting Code, ORS chapters 279A, 279B and 279C; and, if applicable, with state labor standards and wage rates found in ORS chapter 279C.
- g. SIDIC is encouraged to make good faith efforts as described in ORS 200.045 (available at <http://www.leg.state.or.us/ors/200.html>) in any contracting activity. Additional resources are provided by the Director of Economic & Business Equity at <http://www.oregon.gov/gov/MWESB/Pages/index.aspx>. Also, the Office of Minority, Women, and Emerging Small Business at the Oregon Business Development Department maintains a list of certified firms and can answer questions. Search for certified MWESB firms on the web at: <http://imd10.cbs.state.or.us/ex/dir/omwesb/>.
- h. SIDIC will prominently place the following statement on all plans, reports, and contract solicitations relating to the SIDIC Analysis: "This project was funded in part with a financial award from the Special Public Works Fund, funded by the Oregon State Lottery and administered by the Oregon Infrastructure Finance Authority."
- i. SIDIC will permit the Parties and IFA and any party designated by them to inspect the property that is the subject of the SIDIC Analysis and to make copies, at any reasonable time, of any accounts, books and records, including, without limitation, its

records regarding receipts, disbursements, and contracts. SIDIC shall supply any related reports and information as the County or the IFA may reasonably require.

- j. SIDIC will retain and keep accessible all books, documents, papers, and records that are directly related to this Agreement or the SIDIC Analysis for a minimum of three years following the completion of the SIDIC Analysis. If there are unresolved issues at the end of such period, SIDIC will retain the books, documents, papers, and records until the issues are resolved.
3. Beginning on or soon after the date the County executes the Loan, SIDIC will forward to the County copies of invoices SIDIC receives from consultants retained by SIDIC for work performed as part of the SIDIC Analysis (up to a maximum of \$382,800), excluding general administration, community outreach, and legal costs. The County will submit the invoices to the IFA for loan disbursements, provided, however, to the extent the County has sufficient funds immediately available from the Regional Solutions Portion or any Prepayment, as defined below in Section 4.b, the County may elect not to submit all or a portion of such invoices to the IFA (the “Unsubmitted Amounts”). Upon receipt of loan disbursements, the County will arrange to send the loan disbursements, together with funds equal to any Unsubmitted Amounts, to SIDIC as soon thereafter as reasonably possible. If the County elects not to submit any invoices received from SIDIC to IFA in order to treat such amounts as Unsubmitted Amounts, the County will arrange to send funds equal to the Unsubmitted Amounts to SIDIC as soon as reasonably possible. SIDIC will use the County’s payments solely for payment of invoices for work performed as part of the SIDIC Analysis.

[The remainder of this page left intentionally blank.]

4. Loan Portion Repayment:

- a. At least 30 days prior to any payment date on the Loan Portion (or upon request if a Party elects to prepay its share as set forth in Section 4.b below), the County will notify the Parties of their proportional shares of the Loan Portion repayment due and the total prepayment amount, based upon each Party’s Reimbursement Percentage. As used in this Agreement, a Party’s “Reimbursement Percentage” is the percentage calculated by dividing the amount of such Party’s Principal Responsibility by the Current Outstanding amount, both as set forth in the below table (the “Allocation Schedule”). Within sixty days following each annual scheduled Loan Portion payment, the County will send to the Parties an updated Allocation Schedule, revised to reflect any reductions in principal attributable to such payments. The notice shall include the County’s Local Government Investment Pool (LGIP) transfer account information to facilitate payment by LGIP transfer. Those Parties will pay the County no less than their proportional shares of the Loan repayment due within thirty days of such notification. The County’s first payment date on the Loan Portion is expected to be December 1, 2017, and the final payment date is expected to be no later than December 1, 2024.

	Principal Responsibility	Reimbursement Percentage
Port	\$33,915	11.34%
SIDIC	\$132,485	44.33%
County	\$132,485	44.33%
Current Outstanding	\$298,885¹	100.00%

- b. A Party may prepay all or any portion of its obligation under this Agreement at any time without penalty. Upon receipt of such amount (the “Prepayment”), the County will reduce such Party’s Principal Responsibility and the Current Outstanding amount in the most recent Allocation Schedule by the Prepayment, less the amount of accrued interest attributable to such Prepayment. If the Prepayment is received after the County has submitted any invoice to the IFA for disbursement from the 2% Portion of the Loan, the County will promptly forward such amount to be applied as a prepayment of the Loan Portion and instruct the IFA to reamortize the loan over the remaining term of the loan. Within sixty days following the County’s receipt of a Prepayment, the County will send to the Parties an updated Allocation Schedule, revised to reflect the reduction in principal and each Party’s new Reimbursement Percentage.

¹ This amount reflects a reduction of \$33,915 to the \$332,800 Loan Portion to account for the Regional Solutions Support.

5. If any Party fails to pay the County within sixty days of the mailing date of a notification under Section 4.a above, the County may declare the Party or Parties to be in default of this Agreement and will so notify SIDIC and the defaulting Party or Parties. The defaulting Party or Parties will have thirty days to cure the default following the mailing date of the County's notification of default. If a defaulting Party's nonpayment results in any penalties or increases in the amounts due under the Loan, then such default shall not affect the amounts that the nondefaulting Parties are responsible for under this Agreement.
6. SIDIC pledges to include repayment of its obligations under this Agreement in its annual budget. Each year, SIDIC shall appropriate sufficient funds to (a) make the loan repayment due the following fiscal year; and (b) maintain a reserve fund equal to one annual repayment. SIDIC agrees to levy assessments and/or make other reductions in its annual budget in order to fund this commitment.
7. By mutual agreement, the Parties may agree to pay the entirety of the Loan from any lawfully-available funding source subsequently obtained to complete the requirements for renewed certification.
8. This Agreement may be terminated only by the County, only after (a) the Parties have paid the County their proportional shares of the principal and interest; and (b) the Loan Portion has been fully repaid.
9. The Parties acknowledge and agree that, notwithstanding the fact that the County will be using the Parties' contribution amounts to repay the Loan Portion, the County is the sole guarantor of the Loan Portion. In addition, except to the extent that a Party has agreed herein to provide funds to the County so that the County can make payments on the Loan Portion, and except for SIDIC's obligations in Section 2 above, no Party is responsible for the County's performance of its obligations under the Loan. No Party is a guarantor of the performance of any other Party's obligations under this Agreement.
10. To the maximum extent permitted by law and subject to the limitations of the Oregon Tort Claims Act, ORS Chapter 30, and the Oregon Constitution, each Party will defend, indemnify, and hold harmless the other Parties and their officers, employees, and agents from and against any and all liabilities, damages, claims, demands, judgments, losses, costs, expenses, fines, suits, and actions, whether arising in tort, contract, or by operation of any statute, including but not limited to attorneys' fees and expenses at trial and on appeal, relating to or resulting from the Party's performance of its responsibilities under this Agreement.
11. The laws of the State of Oregon will govern this Agreement and the Parties will submit to the jurisdiction of the courts of the State of Oregon.
12. This Agreement may be amended at any time with the written consent of all Parties.

13. Except as otherwise provided herein, the Parties may not assign any of their rights or responsibilities under this Agreement without prior written consent from the County.
14. All notices, communications, invoices, and payments required or permitted under this Agreement must be addressed as follows:

To the County: Multnomah County
 Chief Financial Officer
 501 SE Hawthorne Blvd, Suite 531
 Portland, OR 97214

To the Port for The Port of Portland
notices and Director, Environmental Operations and Policy
communications: P.O. Box 3529
 Portland, Oregon 97208

To the Port for The Port of Portland
invoices and P.O. Box 5095
payments: Portland, Oregon 97208-5095

To SIDIC: Sauvie Island Drainage Improvement Company
 Executive Director
 29264 NW Sauvie Island Rd
 Portland, OR 97231

15. If any covenant or provision of this Agreement is adjudged void, such adjudication will not affect the validity, obligation, or performance of any other covenant or provision which in itself is valid if such remainder would then continue to conform with the terms and requirements of applicable law and the intent of this Agreement.
16. This Agreement constitutes the entire agreement between the Parties and supersedes any prior oral or written agreements or representations relating to the matters discussed herein. No waiver, consent, modification, or change of terms of this Agreement will bind the Parties unless in writing and signed by each Party.
17. This Agreement is not intended, and may not be construed as intending, to establish a precedent for any future cost-sharing agreements among any of the Parties pertaining to the Districts' levees. A Party's contribution under this Agreement creates no expectation that the Party is responsible for the maintenance or repair of the Districts' levees.

18. This Agreement may be executed in counterparts. Delivery of this executed Agreement by facsimile or e-mail will be sufficient to form a binding agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

MULTNOMAH COUNTY

By: _____

Approved as to form:

Title: _____

Date: _____

County Attorney

PORT OF PORTLAND

Approved as to form:

By: _____

Title: _____

Date: _____

Assistant General Counsel

SAUVIE ISLAND DRAINAGE
IMPROVEMENT COMPANY

By: _____

Title: _____

Date: _____

Exhibit A Draft Special Public Works Fund Planning Project Financing Contract

INTERGOVERNMENTAL AGREEMENT
For
Levee Analysis Cost-Sharing
Phase II (MCDD and SDIC)

This Intergovernmental Agreement (this “Agreement”) is authorized by ORS 190.010 and is made and entered into as of _____ (the “Effective Date”) by and among Multnomah County (the “County”), a home rule county of the State of Oregon, the City of Portland (“Portland”), an Oregon municipal corporation; the City of Gresham (“Gresham”), an Oregon municipal corporation; the City of Fairview (“Fairview”), an Oregon municipal corporation; the City of Troutdale (“Troutdale”), an Oregon municipal corporation; the Port of Portland (the “Port”), a port district of the state of Oregon; Metro, an Oregon municipal corporation; Multnomah County Drainage District No. 1 (“MCDD”), a special purpose local government organized under ORS Chapter 547; and Sandy Drainage Improvement Company (“SDIC”) a nonprofit drainage improvement corporation organized under ORS Chapter 554 (collectively, the “Parties,” and each individually a “Party”).

RECITALS

- A. MCDD and SDIC (collectively, the “Districts”) operate and maintain levees and drainage facilities along and in the vicinity of the Columbia River that lie within their respective jurisdictional boundaries, among other duties. The levees were originally constructed around 1916 and have been periodically upgraded by the U.S. Army Corps of Engineers (the “Corps”) since then. Through intergovernmental agreements, MCDD has general management authority of SDIC (see the “District IGA,” attached hereto as Exhibit A). All references to MCDD in this Agreement will mean MCDD acting on its behalf and on behalf of SDIC pursuant to the District IGAs.
- B. The Districts, along with Peninsula Drainage District No. 1 (“PEN 1”) and Peninsula Drainage District No. 2 (“PEN 2”), have formed an intergovernmental entity entitled the “Columbia Corridor Drainage Districts Joint Contracting Authority” (“CCDDJCA” or “JCA”) that has been delegated contracting authority and financial management for the four districts for this and other multi-district projects. The JCA will assume MCDD’s duties and responsibilities under this Agreement upon notice to the Parties once the JCA is set up and functioning.
- C. The Federal Emergency Management Agency (“FEMA”) provides federal assistance in the form of flood insurance to property owners located within areas at risk of flooding, provided the communities in which those properties are located participate in the National Flood Insurance Program (the “NFIP”). FEMA recognizes levees as providing flood protection to a particular area only if they are “certified” by a qualified private engineer or an eligible federal agency (including the Corps), and then “accredited” by FEMA.

- D. The Corps evaluated and certified the levees in the Districts, which run along the Columbia Corridor (the “Columbia Corridor” encompasses 12,000 acres on the south shore of the Columbia River in the Portland, Oregon Metropolitan area), in 2007, which led to their accreditation by FEMA. The certification is valid until 2017. Expiration of the certification in 2017 could lead to de-accreditation by FEMA. MCDD and SDIC certifications must be renewed to remain accredited by FEMA.
- E. There are severe economic consequences if FEMA accreditation of a levee system is not maintained. Properties located within a flood zone that is protected by a nonaccredited levee system lose access to the lower insurance rates offered through FEMA’s NFIP. Without adequate flood insurance, those properties cannot access loans issued by federal agencies (e.g., Federal Housing Administration and Small Business Administration) and loans backed by the federal government (e.g., Veterans Administration, Fannie Mae, and Freddie Mac). In addition, properties within a flood zone that is protected by a nonaccredited levee system also face floodplain development ordinances by jurisdictions that could severely restrict development in such areas.
- F. Lands protected by the levees along the Columbia Corridor are within the jurisdictional boundaries of one or more of the Parties. In addition, one or more of the Parties own lands, public facilities, or both, within the territory protected by the levees. Each Party would therefore be negatively affected by losing the federal assistance offered by the NFIP.
- G. To avoid the economic consequences of losing the federal assistance offered by the NFIP and the potential impact of local floodplain development standards, the MCDD and SDIC levees must remain certified and accredited. In order to renew the levees certification, an engineering analysis must be performed to ascertain the levees’ flood-control capacity (the “Analysis”). MCDD and SDIC have or will enter into contracts with a consultant to complete a portion of this analysis (the “Project”). A detailed description of the Project is attached as Exhibit B. MCDD and/or SDIC will enter into contracts with additional consultants as needed to complete the Analysis.
- H. Business Oregon’s Infrastructure Finance Authority (the “IFA”) has approved a grant of \$50,000 for a portion of the Analysis to be conducted in MCDD, a grant of \$50,000 for a portion of the Analysis to be conducted in SDIC (collectively, the “Grant Portion”), a 0%-interest loan in the amount of \$1,499,880 (the “0% Portion”), and a 1.84% loan in the amount of \$1,967,832 (the “2% Portion”, and with the 0% Portion, the “Loan Portion”), all to be awarded to the County to finance much of the cost of the Analysis (collectively, such award to the County, the “Loan”). The Parties anticipate that Loan disbursements will be made first from the Grant Portion, then from the 0% Portion, and last from the 2% Portion.
- I. The County has offered to contract for, receive, and manage the Loan and its repayment on MCDD’s behalf. A copy of the draft Special Public Works Fund Planning Project Financing Contract is attached as Exhibit C. The other Parties have offered to reimburse the County for

some portion of the Loan Portion principal and interest. The Parties wish to enter into this Agreement to effectuate these financial arrangements.

- J. MCDD, PEN 1, PEN 2, Portland, Metro, and the Port successfully completed an earlier Analysis of the related levee system in PEN 1 and PEN 2 pursuant to an earlier IGA, entered into as of June 1, 2014, where Portland received and managed a \$1.4 million IFA Loan (“Phase I Levee Analysis”). The Analysis under this Agreement, together with similar work to be performed on Sauvie Island pursuant to a separate IGA, will be Phase II.
- K. Pursuant to a separate agreement with the State of Oregon’s Business Oregon, the County will receive \$300,000 to be used to support Phase II (the “Regional Solutions Support”). The Parties understand that \$166,085 of the Regional Solutions Support will be used to reduce the amount of the analysis that will be financed with the Loan; \$33,915 will be used to reduce the amount of the analysis to be done on Sauvie Island that will be financed with debt, and the remaining \$100,000 will be used to reimburse MCDD for expenses related to Phase II that are not eligible to be financed with the Loan.

TERMS

The Parties agree as follows:

- 1. The County will apply for and negotiate the Loan terms substantially similar to those in Exhibit C for a maximum of \$3,567,712. The Parties acknowledge and understand that the County and the IFA will be the sole parties to the Loan, that no other Party or entity will participate in the negotiations thereof, and that no Party except the County and MCDD has any rights or obligations under the Loan or to the IFA.
- 2. Notwithstanding the definition of “Recipient” as a reference to the County in the Loan terms, MCDD will fulfill all of the following obligations, as they may appear in the Loan terms and as interpreted by the County:
 - a. Apply the Loan proceeds and any funds received from the County pursuant to this Agreement (collectively, the “Project Proceeds”) only to the costs of the Analysis; comply with deadlines relevant to the Analysis; complete the Analysis with funds other than the Project Proceeds once MCDD has received \$3,567,712 of Project Proceeds; and undergo required audits.
 - b. MCDD represents and warrants to the County that a reasonable estimate of the cost of the Analysis is \$3,567,712 and that MCDD will have adequate funds available to pay for the Analysis to the extent the cost thereof exceeds \$3,567,712.
 - c. To the best of its knowledge, MCDD has disclosed in writing to the County all facts that materially adversely affect the Analysis, MCDD’s ability to perform all

- obligations required by this Agreement, or the ability of the County to make all payments and perform all obligations required by its Financing Contract with the IFA. MCDD shall promptly notify the County of any adverse change in the activities, prospects, or condition (financial or otherwise) of (i) MCDD or the Analysis related to the ability of MCDD to perform all obligations required by this Agreement or (ii) of the Districts' ability to pay their proportional shares of the Loan Portion repayment.
- d. MCDD will comply with all applicable law, including but not limited to obtaining all applicable permits and approvals that may be necessary for performing the Analysis.
 - e. MCDD will ensure all service providers performing the Analysis who are retained for their professional expertise are certified, licensed, or registered, as appropriate, in the State of Oregon for their professional specialties.
 - f. MCDD will comply with all obligations to comply with the policies of the IFA, including but not limited to contracting requirements, and with state procurement regulations found in the Oregon Public Contracting Code, ORS chapters 279A, 279B and 279C; and, if applicable, with state labor standards and wage rates found in ORS chapter 279C.
 - g. MCDD is encouraged to make good faith efforts as described in ORS 200.045 (available at <http://www.leg.state.or.us/ors/200.html>) in any contracting activity. Additional resources are provided by the Director of Economic & Business Equity at <http://www.oregon.gov/gov/MWESB/Pages/index.aspx>. Also, the Office of Minority, Women, and Emerging Small Business at the Oregon Business Development Department maintains a list of certified firms and can answer questions. Search for certified MWESB firms on the web at: <http://imd10.cbs.state.or.us/ex/dir/omwesb/>.
 - h. MCDD will prominently place the following statement on all plans, reports, and contract solicitations relating to the Analysis: "This project was funded in part with a financial award from the Special Public Works Fund, funded by the Oregon State Lottery and administered by the Oregon Infrastructure Finance Authority."
 - i. MCDD will permit the Parties and IFA and any party designated by them to inspect the property that is the subject of the Analysis and to make copies, at any reasonable time, of any accounts, books and records, including, without limitation, its records regarding receipts, disbursements, and contracts. MCDD shall supply any related reports and information as the County or the IFA may reasonably require.
 - j. MCDD will retain and keep accessible all books, documents, papers, and records that are directly related to this Agreement or the Analysis for a minimum of three years following the completion of the Analysis. If there are unresolved issues at the end of

such period, MCDD will retain the books, documents, papers, and records until the issues are resolved.

3. Beginning on or soon after the date the County executes the Loan, MCDD will forward to the County copies of invoices MCDD receives from consultants retained by MCDD or SDIC for work performed as part of the Analysis up to a maximum of \$3,567,712, excluding general administration, community outreach, and legal costs. The County will submit the invoices to the IFA for loan disbursements, provided, however, to the extent the County has sufficient funds immediately available from the Regional Solutions Portion or any Prepayment, as defined below in Section 4.b, the County may elect not to submit all or a portion of such invoices to the IFA (the “Unsubmitted Amounts”). Upon receipt of loan disbursements, the County will arrange to send the loan disbursements, together with funds equal to any Unsubmitted Amounts, to MCDD or SDIC, as appropriate, as soon thereafter as reasonably possible. If the County elects not to submit any invoices received from MCDD to IFA in order to treat such amounts as Unsubmitted Amounts, the County will arrange to send funds equal to the Unsubmitted Amounts to MCDD or SDIC, as appropriate, as soon as reasonably possible. MCDD and SDIC will use the County’s payments solely for payment of invoices for work performed as part of the Analysis. As manager of SDIC pursuant to the District IGAs, MCDD will be responsible for administering these requirements as more fully described in Section 2 of this Agreement.

4. Loan Portion Repayment:

a. At least 30 days prior to any payment date on the Loan Portion (or upon request if a Party elects to prepay its share as set forth in Section 4.b below), the County will notify the Parties of their proportional shares of the Loan Portion repayment due and the total prepayment amount, based upon each Party’s Reimbursement Percentage. As used in this Agreement, a Party’s “Reimbursement Percentage” is the percentage calculated by dividing the amount of such Party’s Principal Responsibility by the Current Outstanding amount, both as set forth in the below table (the “Allocation Schedule”). A detailed description of the calculation used to generate the Allocation Schedule is attached as Exhibit D. Within sixty days following each annual scheduled Loan Portion payment, the County will send to the Parties an updated Allocation Schedule, revised to reflect any reductions in principal attributable to such payments. The notice shall include the County’s Local Government Investment Pool (LGIP) transfer account information to facilitate payment by LGIP transfer. Those Parties will pay the County no less than their proportional shares of the Loan repayment due within thirty days of such notification. The County’s first payment date on the Loan Portion is expected to be December 1, 2017, and the final payment date is expected to be no later than December 1, 2024.

	Principal Responsibility	Reimbursement Percentage
Fairview	\$123,908	3.75%
Gresham	\$49,116	1.49%
Metro	\$300,000	9.09%
MCDD	\$1,149,744	34.82%
Port	\$166,085	5.03%
Portland	\$999,183	30.26%
SDIC	\$268,027	8.12%
Troutdale	\$224,278	6.79%
County	\$21,286	0.64%
Current Outstanding	\$3,301,627¹	100.00%

- b. A Party may prepay all or any portion of its obligation under this Agreement at any time without penalty. Upon receipt of such amount (a “Prepayment”), the County will reduce such Party’s Principal Responsibility and the Current Outstanding amount in the most recent Allocation Schedule by the Prepayment, less the amount of accrued interest attributable to such Prepayment. If the Prepayment is received after the County has submitted any invoice to the IFA for disbursement from the 2% Portion of the Loan, the County will promptly forward such amount to be applied as a prepayment of the Loan Portion and instruct the IFA to reamortize the loan over the remaining term of the loan. Within sixty days following the County’s receipt of a Prepayment, the County will send to the Parties an updated Allocation Schedule, revised to reflect the reduction in principal and each Party’s new Reimbursement Percentage.
5. If any Party fails to pay the County within sixty days of the mailing date of a notification under Section 4.a above, the County may declare the Party or Parties to be in default of this Agreement and will so notify MCDD and the defaulting Party or Parties. The defaulting Party or Parties will have thirty days to cure the default following the mailing date of the County’s notification of default. If a defaulting Party’s nonpayment results in any penalties or increases in the amounts due under the Loan, then such default shall not affect the amounts that the nondefaulting Parties are responsible for under this Agreement.
6. MCDD and SDIC pledge to include repayment of their obligations under this Agreement in their annual budgets. Each year, MCDD and SDIC shall appropriate sufficient funds to (a) make the loan repayment due the following fiscal year; and (b) maintain a reserve fund equal to one annual repayment. MCDD and SDIC agree to levy assessments and/or make other reductions in their annual budgets in order to fund this commitment.

¹ This amount reflects a reduction of \$166,085 to the \$3,467,712 Loan Portion to account for the Regional Solutions Support.

7. IGA Entity. MCDD, PEN 1, PEN 2, and SDIC have entered into an intergovernmental agreement pursuant to ORS 190.085 to create an intergovernmental entity to act as a joint contracting agency for the purposes of receipt and expenditure of funds and contracting for goods, services, and construction services for the Project. The entity is titled the Columbia Corridor Drainage Districts Joint Contracting Authority (“CCDDJCA” or “JCA”). Upon 30 days’ written notice to the Parties that the JCA has been created and is ready to conduct business, the JCA will assume the duties and responsibilities of MCDD with regard to receipt and distribution of funding and entering into and administering contracts under this Agreement. MCDD and SDIC remain jointly responsible for ensuring that they and the JCA make payments and carry out their obligations under this IGA.
8. By mutual agreement, the Parties may agree to pay the entirety of the Loan from any lawfully-available funding source subsequently obtained to complete the requirements for renewed certification.
9. This Agreement may be terminated only by the County, only after (a) the Parties have paid the County their proportional shares of the principal and interest; and (b) the Loan Portion has been fully repaid.
10. The Parties acknowledge and agree that, notwithstanding the fact that the County will be using the Parties’ contribution amounts to repay the Loan Portion, the County is the sole guarantor of the Loan Portion. In addition, except to the extent that a Party has agreed herein to provide funds to the County so that the County can make payments on the Loan Portion, and except for MCDD’s obligations in Section 2 above, no Party is responsible for the County’s performance of its obligations under the Loan. No Party is a guarantor of the performance of any other Party’s obligations under this Agreement.
11. To the maximum extent permitted by law and subject to the limitations of the Oregon Tort Claims Act, ORS Chapter 30, and the Oregon Constitution, each Party will defend, indemnify, and hold harmless the other Parties and their officers, employees, and agents from and against any and all liabilities, damages, claims, demands, judgments, losses, costs, expenses, fines, suits, and actions, whether arising in tort, contract, or by operation of any statute, including but not limited to attorneys’ fees and expenses at trial and on appeal, relating to or resulting from the Party’s performance of its responsibilities under this Agreement.
12. The laws of the State of Oregon will govern this Agreement and the Parties will submit to the jurisdiction of the courts of the State of Oregon.
13. This Agreement may be amended at any time with the written consent of all Parties.
14. Except as otherwise provided herein, the Parties may not assign any of their rights or responsibilities under this Agreement without prior written consent from the County.

15. All notices, communications, invoices, and payments required or permitted under this Agreement must be addressed as follows:

- To the County: Multnomah County
Chief Financial Officer
501 SE Hawthorne Blvd, Suite 531
Portland, OR 97214
- To Portland: City Debt Manager
Office of Management and Finance
1120 S.W. Fifth Avenue, Room 1250
Portland, Oregon 97204-1988
(503) 823-4222
- To Gresham: The City of Gresham
Environmental Services Director
1333 N.W. Eastman Parkway
Gresham, Oregon 97030
(503) 618-3000
- To Gresham for Invoices and Payments: The City of Gresham
City Debt Management Analyst
1333 N.W. Eastman Parkway
Gresham, Oregon 97030
(503) 618-3000
- To Fairview: The City of Fairview
City Manager
1300 NE Village Street
Fairview, OR 97024
- To Troutdale: The City of Troutdale
City Manager
219 E. Historic Columbia River Hwy.
Troutdale, OR 97060
- To the Port for notices and communications: The Port of Portland
P.O. Box 3529
Portland, Oregon 97208
Attention: Director, Environmental Operations and Policy
(503) 415-6331

To the Port for invoices and payments: The Port of Portland
P.O. Box 5095
Portland, Oregon 97208-5095
(503) 415-6000

To Metro: Metro Debt Manager
Finance & Regulatory Services
600 N.E. Grand Avenue
Portland, Oregon 97214
(503) 797-1913

To the Districts: Multnomah County Drainage District No. 1
Levee Ready Columbia Program Manager
1880 N.E. Elrod Drive
Portland, Oregon 97211
(503) 281-5675

16. If any covenant or provision of this Agreement is adjudged void, such adjudication will not affect the validity, obligation, or performance of any other covenant or provision which in itself is valid if such remainder would then continue to conform with the terms and requirements of applicable law and the intent of this Agreement.
17. This Agreement constitutes the entire agreement between the Parties and supersedes any prior oral or written agreements or representations relating to the matters discussed herein. No waiver, consent, modification, or change of terms of this Agreement will bind the Parties unless in writing and signed by each Party.
18. This Agreement is not intended, and may not be construed as intending, to establish a precedent for any future cost-sharing agreements among any of the Parties pertaining to the Columbia Corridor levees. A Party's contribution under this Agreement creates no expectation that the Party is responsible for the maintenance or repair of the Columbia Corridor levees.
19. This Agreement may be executed in counterparts. Delivery of this executed Agreement by facsimile or e-mail will be sufficient to form a binding agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

MULTNOMAH COUNTY

Approved as to form:

By: _____

Title: _____

Date: _____

County Attorney

CITY OF PORTLAND

Approved as to form:

By: _____

Title: _____

Date: _____

Deputy City Attorney

CITY OF GRESHAM

Approved as to form:

By: _____

Title: _____

Date: _____

City Attorney

CITY OF FAIRVIEW

Approved as to form:

By: _____

Title: _____

Date: _____

City Attorney

CITY OF TROUTDALE

Approved as to form:

By: _____

Title: _____

City Attorney

Date: _____

PORT OF PORTLAND

Approved as to form:

By: _____

Title: _____

Assistant General Counsel

Date: _____

METRO

Approved as to form:

By: _____

Title: _____

Assistant Metro Attorney

Date: _____

MULTNOMAH COUNTY DRAINAGE
DISTRICT NO. 1

By: _____

Title: _____

Date: _____

SANDY DRAINAGE IMPROVEMENT
COMPANY

By: _____

Title: _____

Date: _____

- Exhibit A Intergovernmental Agreement between MCDD and SDIC
- Exhibit B Detailed Project Description
- Exhibit C Draft Special Public Works Fund Planning Project Financing Contract
- Exhibit D Allocation Methodology

Exhibit A

RESOLUTION # 1462

SANDY DRAINAGE IMPROVEMENT COMPANY
A RESOLUTION ADOPTING AN IGA AMENDMENT

RECITALS

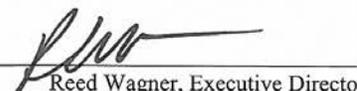
The Intergovernmental Agreement dated 1 July 2009 between the Multnomah County Drainage District #1 and Sandy Drainage Improvement Company is in need of revision to update the personnel and equipment rates in Appendix B of the Agreement.

NOW THEREFORE BE IT RESOLVED

1. Amendment No. 5 to the above referenced Agreement, revising Appendix B of the Agreement, is approved. The approved Amendment No. 5 is attached.
2. The President of the Board of Directors is authorized to sign the Amendment.

Adopted by the Sandy Drainage Improvement Company Board of Directors on June 5, 2014.

Signed: 
Bob Fowler, President

Attest: 
Reed Wagner, Executive Director

AMENDMENT NO. 5

Intergovernmental Agreement

Parties: Multnomah County Drainage District No. 1
 Sandy Drainage Improvement District

RECITALS

- A. The parties entered into an intergovernmental agreement for services listed in an Appendix A and payment for services in Appendix B (“Agreement”), effective as of July 1, 2009.
- B. The parties hereby amend Appendix B of the Agreement as follows to update actual cost of services being provided.

APPENDIX B. AMENDMENT – RATE SCHEDULE

Revised May 12, 2014
Rates have a 17% Overhead included

Description	2014-2015
	Hourly Labor Rate
Deputy & Executive Director	74.00 – 152.00
Managers	66.00 – 114.00
Equipment Mechanic	33.00 – 71.00
Equipment Operator	33.00 – 71.00
Utility Worker	30.00 – 65.00
Crew Foreman	35.00 – 97.00
Project Manager	40.00 – 97.00
Office Specialist	27.00 – 71.00
Engineer	40.00 – 97.00
Bookkeeper	40.00 – 81.00
Summer Labor & Intern	11.00 – 30.00

Note: equipment rates do not include operator	2013-2014	2014-2015
Description	Hourly Equipment Rate	Hourly Equipment Rate
Pickup	\$28.00	\$28.00
Dump Trk	\$98.00	\$98.00
Dump Trk & Transport Trailer	\$127.00	\$127.00
Case Excavator	\$160.00	\$160.00
JD 310 Backhoe	\$45.00	\$45.00
JD 650 Dozer	\$85.00	\$85.00
Menzi A91 Spyder	\$276.00	\$276.00
Tractor Arm TS 100	\$77.00	\$89.00
Tractor Wing TS 110	\$85.00	\$85.00
Slope Mower	\$48.00	\$48.00
Spyder/Barge	\$306.00	\$306.00
Chipper	\$44.00	\$44.00
1 ton Dump Trk	\$40.00	\$42.00
Spray Trk & Herbicide Sprayer	\$50.00	\$50.00
Case Excavator & Mower	\$170.00	\$170.00
21' TJ Work Boat	\$0.00	\$65.00
Tools (see list)	\$12.00	\$12.00
Equipment (see list)	\$20.00	\$20.00
Survey Equipment	\$22.00	\$22.00

Tools List Chain Saw String Trimmer Backpack Blower Power Drills & Saws Honda Generator 2"-3" Pumps Wildlife Management Tools Traffic Control Tools	Equipment List Portable Welder 6" Pump Ridding Mower Landa steam cleaner Plate Compactor Rodinator Herbicide Sprayer	Hydro Seeder 16' Work Boat 16' Flatbed Trailer Work Barge
--	--	--

Authority of Signers

The individuals signing below represent that they are authorized by the party for which they sign to contractually bind that party to the provisions of this Amendment No. 5.

Multnomah County Drainage District # 1



Tim Warren, President

6/26/14

Date

Sandy Drainage Improvement Company



Bob Fowler, President

6-5-14

Date

INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT (IGA) is made and entered into between **Sandy Drainage Improvement Company**, hereinafter called SDIC, and **Multnomah County Drainage District #1**, hereinafter called MCDD.

WHEREAS, SDIC desires to delegate the management of the District operations under its authority to MCDD, and;

WHEREAS, MCDD desires to perform, and is capable of performing, said services;

NOW THEREFORE, PURSUANT TO THE AUTHORITY OF ORS 190.010, IT IS MUTUALLY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

SERVICES

MCDD agrees to perform the services listed in the attached Appendix A – Service Provided, all billed on a time and materials basis. MCDD agrees that the materials, analysis, data, programs and services provided hereunder will be of the kind and quality designated and will be performed by qualified MCDD employees, or other qualified agents or contractors. All work performed under this contract will be in full compliance with the standards found in all applicable codes, ordinances, statutes, regulations and laws.

CONTRACT PERFORMANCE/FORCE MAJORE

Neither party will be in breach of this Agreement for its failure to perform on time when such failure is due to causes beyond the party's reasonable control such as acts of god, fire, theft, war, riot, embargoes, or acts of civil or military authorities. If MCDD's services are delayed by these or other contingencies, MCDD will immediately notify the SDIC Board of Supervisors of such delay.

EQUIPMENT, MATERIALS, SUPPLIES AND FACILITIES

MCDD shall furnish the staff labor, facilities, office equipment and routine office supplies necessary to perform the services in Appendix A. All materials and supplies necessary to perform the services in Appendix A will be invoiced directly to SDIC by the vendor or

FY 2009-2010 PEN 1/MCDD Intergovernmental Agreement
Page 1 of 13
April 23, 2009

supplier. If MCDD purchases the supplies and/or materials, MCDD will invoice SDIC for its portion of the invoice as invoiced by the vendor or supplier.

PAYMENT FOR WORK PERFORMED

In consideration for the performance of this IGA, SDIC agrees to pay MCDD fees as outlined in Appendix B - Fee Schedule and Appendix B-1 – Distribution Schedule. The services completed pursuant to this IGA, including materials and labor, will be billed on a time and material basis in accordance with the SDIC Fiscal Year approved budget. Billings done at intervals determined to be the most efficient will reflect actual, documented personnel time and material cost, which may differ slightly from the averaged estimates found in the Schedule B rates.

All costs will be invoiced to SDIC by MCDD. Invoices will be due and payable within 30 days of the date of invoice. Any past due bill owed MCDD by SDIC shall have applied to it interest based on the prime interest rate in force on the day the bill becomes past due, and shall be applied to the balance until the bill is paid in full. All services outlined in Appendix A, and the materials, professional services and sub-contracts necessary to fulfill them, will be billed subject to the approved SDIC budget as follows:

Materials - Any materials purchased through MCDD for SDIC use will be billed at vendor or supplier invoice costs. Materials will be secured using accepted public purchasing procedures and processes.

Construction or professional services contracts – These contracted services will be invoiced directly to SDIC by the contractor or consultant. Services will be secured in accordance with accepted public bidding and contracting procedures and processes.

MCDD Labor – All labor provided by MCDD field staff shall be billed based on the rate schedule attached as Appendix B. The labor rates in Appendix B will have a 2.5% multiplier applied January of each year until Appendix B is revised.

MCDD Equipment – Equipment use shall be billed based on the rate schedule attached as Appendix B.

Rental Equipment – Rentals required to perform the project will be invoiced directly to SDIC by the vendor or contractor.

CONTRACT PERIOD

The delivery of services described herein will begin on July 1, 2009 and continue until the IGA is terminated. Either party may terminate this IGA only at the end of a fiscal year by providing a minimum of six (6) months advance written notice. The need for periodic adjustments to IGA provisions are anticipated and shall be addressed, using the amendment process prescribed herein, at the same board meeting where the annual budget is adopted.

REPRESENTATION OF AUTHORITY

SDIC delegates all administrative and executive duties and authorities to MCDD and its Executive Director. While it is acknowledged that the Executive Director of MCDD is not an employee of SDIC, he/she is hereby authorized to represent him/her self as the Executive Director of SDIC. Similarly, while not an employee of SDIC, the MCDD District Engineer is authorized to represent him/her self as District Engineer for SDIC.

LEGAL PROTECTION

Each party agrees to defend, indemnify and hold the other harmless from and against any and all liability, claims, demands, penalties, suits and the associated costs and expenses (including reasonable attorneys' fees) which it may hereafter incur, become responsible for, or pay out as a result of the death or bodily injury to any person, destruction or damage to any property, contamination of or adverse effects on the environment and any clean-up costs in connection therewith, or any violation of law, governmental regulation or orders, caused in whole or in part by the indemnitor's breach of any term or provision of this IGA, or by any negligent acts, errors, or omissions by the indemnitor's, its employees, officers, agents, representatives, or subcontractors in the performance of this IGA. This indemnity obligation will survive termination of this IGA.

INSURANCE

MCDD will maintain throughout the period of this Agreement, the following minimum levels of insurance:

- (a) Workers' compensation coverage as required by law.

- (b) Employer's liability with limits of not less than \$1 million per occurrence.
- (c) Comprehensive general liability for damages as a result of death or bodily injury to any persons or destruction or damage to any property with limits of not less than \$1 million per occurrence.
- (d) Comprehensive automobile liability insurance for at least \$1 million per occurrence.

MCDD's insurance will be primary and any insurance carried by SDIC will be excess and non-contributing. The general liability coverage will name SDIC as additional insured and will contain a severability of interest clause. SDIC will maintain in full force all other insurances including, but not limited to, general liability, directors and officers, boiler and fire.

WAIVER OF SUBROGATION

MCDD and SDIC each waive all rights of recovery against the other, or against the employees, agents and representatives of the other, for loss or damage to the waiving party or its property or the property of others under its control to the extent that the loss or damage is insured under any insurance policy in force at the time of the loss or damage.

APPLICABLE LAW, JURISDICTION AND VENUE

This IGA shall be interpreted and administered under the laws of the State of Oregon. Jurisdiction and venue of any dispute hereunder shall be in Multnomah County, State of Oregon.

ATTORNEY FEES

In the event of suit or action commenced to enforce the terms of this IGA, the prevailing party shall be entitled to recover from the losing party reasonable attorney fees and costs, including any appeal therefrom.

LIMITATION OF LIABILITY

With respect to all obligations assumed by either party pursuant to this IGA (whether by contractual provision or imposed otherwise by law), the parties agree that in all cases redress for satisfaction of any such obligation shall be limited to the parties and to its assets. No party named

herein shall seek satisfaction of any such obligation from any trustee, director, officer, employee, beneficiary, stockholder or agent of either party.

SEVERABILITY

If any term, condition or provision of this IGA or the application thereof to any circumstance is determined to be invalid or unenforceable to any extent, the remaining provisions of this IGA will not be affected but will instead remain valid and fully enforceable.

DISPUTE RESOLUTION

Should any dispute arise between the parties of this IGA, it is agreed that, prior to commencement of litigation, the dispute shall be submitted to a neutral mediator mutually agreed to and paid equally by both parties.

AMENDMENTS

This IGA may be amended by mutual agreement of both parties. Any amendments shall be in writing and signed by representatives of both parties.

IN WITNESS WHEREOF, the parties hereto have set their hands and seal this 23rd day of April, 2009.

**SANDY DRAINAGE IMPROVEMENT
COMPANY**

By: 
Larry Medearis, Sr., President

**MULTNOMAH COUNTY DRAINAGE
DISTRICT #1**

By: 
Tim Warren, President

APPENDIX A – SERVICES PROVIDED

Services provided through an Intergovernmental Agreement between the Sandy Drainage Improvement Company (SDIC) and Multnomah County Drainage District #1 (MCDD).

In relation to the service provided, MCDD agrees to provide SDIC copies of the inspection reports and logs as requested by the Supervisors.

MCDD agrees to call to the immediate attention of the Board of Supervisors any malfunction or condition likely to cause damage to the pumps, equipment or flood control facilities, or which might jeopardize the protection of the properties and facilities within SDIC.

ADMINISTRATIVE AND SUPPORT SERVICES PROVIDED

- 1) Plan the Annual Meeting and Supervisors' meetings including agendas, public notices, stakeholder contacts, reports and minutes.
- 2) Prepare and submit the annual assessment role to Multnomah County Assessors office.
- 3) Prepare the annual budget, maintain all financial records and systems collect funds and pay bills, issue reports as necessary and oversee an annual audit or accountant review.
- 4) Maintain all records including hard copy and electronic. Plan and organize their storage and archiving consistent with public statutes.
- 5) Prepare operational work plans for maintenance to be performed including ditch cleaning, obstruction removal, herbicide applications, mowing, pump and pump station maintenance, etc.
- 6) Develop and maintain a 3 to 5 year capital improvement project planning program.
- 7) Plan and manage capital improvement projects consistent with the approved budget.
- 8) Review all development proposals and plans that may impact the functional integrity and/or operations.
- 9) Attend agency, business and community meeting as may be required on behalf of the district. Meeting may include but not be limited to: land use and building permit application proposals, neighborhood meeting, regulatory coordination and special interest groups.
- 10) Maintain the Emergency Flood Control Plan as a unified district plan.

- 11) Assist the Corps of Engineers on their annual inspection and evaluation of the flood control facilities, operations and maintenance.

Appendix A

ADMINISTRATIVE AND SUPPORT SERVICES PROVIDED – continued

FIELD INSPECTIONS

Stormwater Pumping and Conveyance Facilities

- 1) Inspect and provide general lubrication and cleaning service to the pumps, pump motors, electrical equipment and pump station buildings twice weekly and more frequently during and/or following a rainfall event if required.
- 2) Inspect and clear debris from the stormwater culvert grating system twice a week and more frequently during and/or following a rainfall event if required
- 3) Inspect and document any deficiencies identified to the overall stormwater conveyance system once a month and more frequently during and/or following a rainfall event if required.
- 4) Service telemetry system to District's design standards.
- 5) Load and dispose of debris accumulated at pump station, culvert grating and stormwater conveyance system locations as required.
- 6) Remove and dispose of trees blocking the stormwater conveyance systems.
- 7) Perform any required maintenance and repairs to the pumps, pump motors, electrical equipment and pump station buildings in excess of the general lubricating and cleaning service.
- 8) Repair and/or replacement of stormwater culvert grating.
- 9) Stabilize and/or repair conveyance system slopes.
- 10) Remove and dispose of aquatic weed and/or garbage in or around critical sections of the stormwater conveyance system.
- 11) Remove tall grasses, invasive plant and sediment accumulation to maintain a minimum hydraulic cross section and to minimize hydraulic head loss through mechanical and chemical applications.
- 12) Perform any required emergency repairs on stormwater and flood control facilities.

Appendix A
ADMINISTRATIVE AND SUPPORT SERVICES PROVIDED – continued

Levees and Control Structures

- 1) Inspect and document levee slope and roadway surface conditions twice a year.
- 2) Inspect levee in high water condition as defined in the District's Emergency Flood Control Plan.
- 3) Inspect document and service levee slide and flap gates twice a year.
- 4) Maintain the critical levee section to USACOE standards as outlined in the 33 Code of Federal Regulations (CFR).
- 5) Manage the levee slope vegetation to promote a heavy growth of grasses through mowing and chemical applications.
- 6) Replace riprap and soils eroding away from the levee slopes.
- 7) Maintain the access roadway on top of the levee.
- 8) Repair levee access gates and fencing.
- 9) Clean out levee slide gate wet wells and repair slide mechanism.

APPENDIX B – RATE SCHEDULE

Services provided through an Intergovernmental Agreement between the Sandy Drainage improvement Company (SDIC) and Multnomah County Drainage District #1 (MCDD)

**MULTNOMAH COUNTY DRAINAGE DISTRICT # 1
EQUIPMENT AND EMPLOYEE RATES**

Revised April 2009	2008 - 2009	2009 - 2010
Description	Total	Total
	Hourly Rate	Hourly Rate
Executive Director	76.54	76.67
Deputy Director	76.54	78.65
Engineer	51.91	54.87
Accounting	38.31	40.46
Crew Leader	41.96	45.38
Mechanic III	45.37	45.51
Mechanic II	31.78	36.94
Equipment Operators III	38.81 - 40.10	40.43 - 41.46
Tractor Operators	36.95 - 37.34	38.32 – 38.73
Administrative	30.22	22.43 – 31.87
Summer Laborer	12.00 - 15.50	12.00 – 15.50
(Note: Equipment rates do not include operator)		
320 Case Excavator	62.50	64.00
JD 650 Dozer	47.00	48.00
HS 41 Spyder	195.00	200.00
TS 100 Tractor/Mower	46.00	47.00
TS 110 Tractor/Mower	51.00	52.25
Transport & Trailer	46.00	47.00
Dump Trucks	49.00	50.25
JD 310 Backhoe	31.00	32.00
Pickups	12.00	13.00
Spray Truck	36.00	37.00
Spyder on Barge	262.00	268.50
Material Barges (ea.)	11.00	12.00
Chipper	16.00	17.00
Hydro Seeder	16.00	17.00
Boats	11.00	12.00
Herbicide Sprayer	11.00	12.00
Misc. Tools	6.00	7.00

APPENDIX B-1 DISTRIBUTION SCHEDULE

Services provided through an Intergovernmental Agreement between the Peninsula Drainage District #1 (PEN 1) and Multnomah County Drainage District No. 1 (MCDD)

OPTIONS FOR DISTRIBUTING SHARED COSTS

Some work done by MCDD staff benefits more than one district. For instance, working with the City of Portland on a code revision may benefit PEN 1, PEN 2 and MCDD. Likewise, tracking proposed land use issues through METRO could benefit the three aforementioned Districts and SDIC. In answer to this, a series of options for sharing costs among the Districts has been approved by each Board and included here as another rate schedule option.

Table 1 - Environmental All Cities
Levee and Ditch Lengths (miles)
Including the Upper Columbia Slough

	Levees	%	Ditches	%	Average %
MCDD	12.2	45	26.1	60	52.5
Pen 1	4.9	18	3.3	8	13.0
Pen 2	5.9	22	6.2	14	18.0
SDIC	4.2	15	7.6	17	16.5
Total	27.2 miles		43.2 miles		100

Table 2 - Environmental All Cities
Levee and Ditch Lengths (miles)
Excluding the Upper Columbia Slough

	Levees	%	Ditches	%	Average %
MCDD	12.2	45	10.5	38	41.5
Pen 1	4.9	18	3.3	12	14.5
Pen 2	5.9	22	6.2	22	22.5
SDIC	4.2	15	7.6	28	21.5

Total	27.2 miles	27.6 miles	100
-------	------------	------------	-----

Table 3 – Environmental Within COP
 Levee and Ditch lengths (miles)
Including the Upper Columbia Slough

	Levees	%	Ditches	%	Average %
MCDD	10.3	49	25.8	73	61.0
Pen 1	4.9	23	3.3	9	16.0
Pen 2	5.9	28	6.2	18	23.0
Total	21.1 miles		35.3 miles		100

Table 4 – Environmental Within COP
 Levee and Ditch lengths (miles)
Excluding the Upper Columbia Slough

	Levees	%	Ditches	%	Average %
MCDD	10.3	49	9.7	51	50.0
Pen 1	4.9	23	3.1	16	19.5
Pen 2	5.9	28	6.2	33	30.5
Total	21.1 miles		19 miles		100

Table 5 - All Cities
Acreage and Impervious Area (acres)

	Acreage	%	Impervious	%	Average %
MCDD	8,832	69	3,433	80	74.5
Pen 1	901	7	202	5	6.0
Pen 2	1,475	11	528	12	11.5
SDIC	1,556	13	140	3	8.
Total	12,764		4,303		100

Table 6 - Within COP
Acreage and Impervious Area (acres)

	Acreage	%	Impervious	%	Average %
MCDD	5,912	71	2,934	80	75.5
Pen 1	901	11	202	6	8.5
Pen 2	1,475	18	528	14	16.0
Total	8,288		3,664		100

Table 7 – MCDD & SDIC
Stormwater Issues Based on Acreage

	Acreage	%
MCDD	2,920	65
SDIC	1,556	35

Exhibit B

Multnomah County Levee Accreditation Evaluation

I. ONE PAGE PROJECT DESCRIPTION

The purpose of this project is to build on the results of the levee engineering assessments in Peninsula Drainage District No. 1 and Peninsula Drainage District No. 2 and to further evaluate the condition of the levee systems in Multnomah County Drainage District No. 1 (MCDD) and Sandy Drainage Improvement Company (SDIC). The work is being managed through Levee Ready Columbia, a Governor designated Oregon Solutions program that includes local, state, and federal agencies, and business, environmental, and community-based organizations that are working together to evaluate the levees and ensure that the levees remain accredited by the Federal Emergency Management Agency (FEMA) and maintain in good standing the U.S. Army Corps of Engineers' (USACE) Rehabilitation and Inspection Program (RIP).

The Recipient will complete an engineering evaluation of the current condition of the MCDD and the SDIC levee systems as well as the interior drainage systems operating behind them, in compliance with National Flood Insurance Program levee accreditation standards documented in 44 CFR 65.10 through FEMA. Additionally, the project team will conduct mandatory inspections on levee infrastructure to ensure MCDD and SDIC remain active in USACE's RIP by receiving a rating of Minimally Acceptable or better.

The desired level of protection of each levee system will need to be decided by the community and will directly lead into the alternative development necessary to repair deficiencies identified by the levee engineering assessments. Thus, the Recipient will conduct inventories and studies, including a climate change study, provide a more comprehensive and clear understanding of the resources the levee system is protecting and identify areas that could be improved. The investment in the system is expected to protect future generations so it is important to understand how the system will operate over the next 30 to 50 years before a level of protection is selected.

The Project will also include engineering review and project management activities conducted through MCDD. Specific project tasks include, but are not limited to:

- Engineering Assessments (Phase I – III)
 - Phase I: Background Research and Gap Analysis
 - Phase II: Work Plan, Data Collection, and Analyses
 - Geotechnical evaluation including drilling and soil analysis
 - Embankment Erosion and Scour Protection Analyses
 - Embankment and Foundation Stability and Seepage Analyses
 - Analyses of Potential Settlement and Loss of Levee Freeboard
 - Encroachment Evaluation of Structures within Levee Right-of-Way
 - Development of conceptual design for potential repair alternatives
 - Review of Operation and Maintenance Plans and Emergency Operations Plans
 - Compilation of Final Certification Package for all four districts to submit to Federal Emergency Management Agency (FEMA) for Accreditation
 - Phase III: Additional Seepage and Stability Analyses for other river events
- Survey, Cross-Sections, and Encroachment Evaluations
- Interior Drainage Modeling Reports
- Rehabilitation and Inspection Program Compliance
- Environmental, Economic, and Community Asset Inventories and a Climate Change Study

II. PROJECT SPECIAL CONDITION

Engineering, project management, and inventories / study expenses incurred between July 1, 2015 and the date of award are eligible for reimbursement.

Multnomah County Levee Accreditation Evaluation

Complete Project Description

The purpose of this project is to build on the results of the levee engineering assessments in Peninsula Drainage District No. 1 and Peninsula Drainage District No. 2 and to further evaluate the condition of the levee system in Multnomah County Drainage District No. 1 (MCDD) and Sandy Drainage Improvement Company (SDIC). The work is being in a collaborative, cross-sector regional team, to address Federal Emergency Management Agency (FEMA) accreditation, stay active in the U.S. Army Corps of Engineers' (USACE) Rehabilitation and Inspection Program (RIP), and safety of the Columbia River levees.

The general steps in the project include:

- Conduct engineering assessments of both the MCDD and SDIC levee system to determine whether the levee system as it exists today meets Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP) standards, which are documented in 44 CFR 65.10.
- Develop geotechnical models that allow for evaluation of the system at varying river stages (1-percent-annual-chance flood event, US Army Corps of Engineers (USACE) authorized design water surface elevation, and maximum flood elevation).
- Conduct mandatory inspections on levee infrastructure to ensure MCDD and SDIC receive at least a rating of Minimally Acceptable and remain active in the USACE Rehabilitation and Inspection Program.
- Survey, cross-sections, and encroachment evaluations will provide additional information and material to submit with FEMA's accreditation package as well as to the USACE in order to remain active in the RIP.
- MCDD engineers will develop a FEMA Internal Drainage Report for both MCDD and SDIC required for accreditation.
- Conduct inventories and studies to provide baseline information to inform future development of design alternatives to address deficiencies and meet accreditation standards.
- MCDD engineers will review project consultants' deliverables to ensure compliance with FEMA and USACE standards.
- Provide project management services to ensure the project proceeds on schedule, within scope, and within budget.

Project work falls into the categories described below.

Category 1: Engineering Assessments of the Levee Systems Relative to 44 CFR 65.10 and USACE Rehabilitation and Inspection Program

The first step in the accreditation process is an engineering evaluation to determine whether the levee system as it exists today meets Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP) standards, which are documented in 44 CFR 65.10. Levee engineering assessments require detailed information on the subsurface conditions and engineering parameters for both the levee and foundation soils. The subsurface information is generally collected by performing exploratory borings and collecting soil samples for laboratory testing. This information is then analyzed and used to build a model of the current levee structure, which is subsequently used to model performance during the 1-percent-annual-chance flood event per FEMA requirements. In addition, FEMA requires

evaluation of other components of the flood control system, including available freeboard, the interior drainage system, and operation and maintenance plans. FEMA also requires other documentation that demonstrates the current condition, including a topographic survey of the current levee area that includes all above and underground structures, and vegetation.

To be accredited the levee system must also stay active in an inspection program. In MCDD and SDIC the current inspection program is the Rehabilitation and Inspection Program (RIP) that is led by USACE. The RIP is within USACE's Levee Safety Program and is in place to monitor levee system's overall conditions, identify deficiencies, verify that needed maintenance is taking place, determine eligibility for federal rehabilitation assistance, and provide information about the levees on which the local operating agency and public relies. Each levee segment receives an overall segment inspection rating of Acceptable, Minimally Acceptable, or Unacceptable. This program aims to ensure MCDD and SDIC receive at a minimum, an inspection rating of Minimally Acceptable, to remain active in the RIP.

Remaining active in the RIP ensures that USACE will provide technical and flood fighting support during a high water event. Additionally, in the event that the high water event causes damage on the system, the USACE will partner with the Drainage District to repair the levee system to its original state and provide a 65-35 cost share. Inspection information also contributes to risk assessments and supports levee accreditation decisions for the NFIP.

If deficiencies are found during the Engineering Assessments, they must be completely remediated before a professional engineer can *certify* the levee system meets the standards of accreditation (a key requirement for the accreditation application).

The Engineering Assessments will be completed for both MCDD and SDIC. Below is a list of the tasks associated with this phase of the project, including the cost and timeline for each:

Task 1: Engineering Assessments (Phase I – III)

Phase I – Background Research and Gap Analysis:

The strategy for achieving levee certification is proposed in a three phase approach. Phase I will consist of a review of existing documentation that is available for both MCDD and SDIC levee systems and to assess whether available information is sufficient to satisfy the requirements of 44 CFR 65.10. This allows for the selected consultant to become familiar with the levee system and collect historical documentation on the system to access the scope and scale of Levee Accreditation needs based on preliminary assessments of available data and details of federal requirements.

This phase will include but is not limited to the following:

- Site visit / archive review
- USACE Portland District archive review
- Data review and memorandum
- Develop memo to identify the existing documentation, adequacy of this information, and identify missing information necessary to complete data set required to complete certification
- Meeting with regulators and project partners

Phase II – Work Plan, Data Collection, and Analyses:

Based on the findings from Phase I, project consultants will develop work plan to collect the missing information. This may include, but is not limited to the following:

- Scour protection and embankment erosion analyses
- Stability and seepage analyses

- Potential levee settlement and freeboard analyses
- Additional site investigations, subsurface explorations, and laboratory testing to support the stability, seepage, and settlement analyses
- Review of the following documents: interior drainage reports, operation and maintenance plans, emergency operations plan, as-built maps of the levee system
- Development of summary report to capture analyses
- Levee certification
- Regulatory review and coordination with project partners
- Compilation of information for FEMA accreditation submission package

Phase III: Additional Water Elevation Analyses:

This work is focused on an evaluation against the USACE authorized design water surface elevation and maximum flood elevation. MCDD and SDIC are both authorized for the Levee Design Flood (LDF) which is a modeled elevation that depicts the 1894 flood but accounts for storage provided by dam construction. In general, USACE’s authorized water surface elevations are higher than the 1-percent-annual-chance flood event elevations used in the analyses for FEMA accreditation. These analyses will be used towards remaining active in the USACE’s Rehabilitation and Inspection Program. These analyses will also include an evaluation of the maximum event the system can currently withstand, without any remediation to the identified areas of concern. The additional analyses will fully capture the current levee system’s performance and will provide the necessary framework to guide the discussion of the community’s flood risk tolerance and future financial investment in the infrastructure.

Estimated Cost: \$2,487,757

Estimated Timeline: October 2015 – December 2016

Primary Contractor: TBD (solicitation required)

Task 2: Survey, Cross-Sections, and Encroachment Evaluations

Surveys:

This task includes topographic surveys of the levee right of way, generally considered the area between 30 feet out from the riverside levee toe and 30 feet out from the landward levee toe, including all structures within it. Survey information may be augmented with plans of the levee systems, LIDAR data and details of properties abutting the levee.

Additional work in this task may also include:

- Survey and property deed research
- Field surveys
- Reclamation survey work (original district boundary)
- Preparation of survey plans

Cross-Sections:

A project consultant will provide the survey plans as well as as-built (cross-section) drawings necessary for certification. The cross-sections will include the levee design section, overbuild, structure and utility line locations, and multiple water elevations depending on the analyses conducted. The lead project consultant will coordinate with the survey team to customize and review the drawings to meet accreditation standards. These cross-sections will also be used in the encroachment evaluation work.

Encroachment Evaluations:

Encroachments are defined as any structure or feature that is within the levee boundary. USACE defines that boundary as 15-20 feet from either levee toe, and generally speaking discourages the placement of any encroachments within that area. FEMA's accreditation criteria, however, is silent on encroachments specifically. Given this, the certifying engineer in a levee accreditation effort must consider whether any given encroachment is specifically impeding the performance of the levee system. Generally, this requires evaluation of where the lowest point of the structure or vegetation falls relative to the section of the levee embankment that is critical to protecting against the 1-percent-annual-chance flood event or authorized design water surface elevation. In the case of structures, evaluation of the construction of the facility is also required. For vegetation, evaluation of species, root growth, and life span may also be required.

The exact scope of work for this task will depend upon encroachments identified as within or close to the section of the levee identified as critical to protecting against the 1-percent-annual-chance flood and USACE authorized design water surface elevation.

Estimated Cost: \$150,000

Estimated Timeline: October 2015 – October 2016

Primary Contractor: TBD (solicitation required)

Task 3: Interior Drainage Modeling Reports

MCDD staff will conduct the interior drainage studies and will compile the FEMA Internal Drainage Report for both MCDD and SDIC required for accreditation. The work will include an XPSWMM stormwater model for MCDD and SDIC, a report summarizing the process and results, and corresponding floodplain maps. Additionally, the models will be available for review by FEMA if required.

MCDD may contract with an outside consultant for technical advice, quality assurance, and review services to check for conformance with the accreditation requirements.

Estimated Cost: \$65,500

Estimated Timeline: August 2015 – September 2016

Primary Contractor: MCDD Engineering and TBD (solicitation required)

Task 4: USACE Rehabilitation and Inspection Program Compliance

The RIP is within USACE's Levee Safety Program and is in place to monitor levee system's overall conditions, identify deficiencies, verify that needed maintenance is taking place, determine eligibility for federal rehabilitation assistance, and provide information about the levees on which the local operating agency and public relies. The RIP is implemented through Routine and Periodic inspections that result in a final inspection rating for operation and maintenance of the levee system. The rating is based on the levee inspection checklist, which includes 125 specific items dealing with operation and maintenance of levee embankments, floodwalls, interior drainage, pump stations, and channels. Each levee segment receives an overall segment inspection rating of Acceptable, Minimally Acceptable, or Unacceptable. Levee Ready Columbia wants to ensure MCDD and SDIC receive at a minimum, an inspection rating of Minimally Acceptable, to remain active in the RIP.

USACE requires that certain inspections be conducted prior to the RIP routine or periodic inspection to ensure system infrastructure is in compliance with the USACE standards. Funding will be applied towards conducting required inspections on infrastructure located within the levee right-of-way. The

inspections can include videotaped outfall and culvert inspections, inspection and testing of relief wells and other levee infrastructure and pump station performance evaluations.

Estimated Cost: \$150,000

Estimated Timeline: August 2015 – March 2016

Primary Contractor: TBD (solicitation required)

Task 5: Environmental, Economic, and Community Asset Inventory, and Climate Change

The desired level of protection, as well associated risk tolerance, will need to be decided by the community and will directly lead into the alternative development necessary to repair deficiencies identified by the levee engineering assessments. Inventories and studies, including a climate change study, will ensure the level of protection is discussed using the best available science and future projected water elevations. The investment in the system is expected to protect future generations so it is important to understand how the system will operate over the next 30 to 50 years before a level of protection is selected. Additionally, the inventories will provide a more comprehensive and clear understanding of the resources the levee system is protecting and identify areas that could be improved. All of these findings will feed into the risk based decision model to inform the alternatives necessary to repair the deficiencies identified in the levee engineering assessments.

PEN 1 and PEN 2 will pay for their portion of each inventory and study through their existing IFA loan.

Environmental Inventory:

The Environmental Resources Inventory (ERI) will be developed to identify and document the existing natural resource values in each of the districts to help inform future levee improvement alternatives. The intent is to create a summary report of the existing status of natural areas, open space and fish and wildlife habitat locations within or adjacent to the districts in order to document baseline conditions in preparation of development design alternatives to repair deficiencies and meet accreditation standards.

Economic Inventory:

Northwest Economic Research Center (NERC), in collaboration with Metro, will conduct a study of the impact that the economic resources protected by the Columbia Corridor levee system have on the local, regional, and state economy. The study will quantify the current residential characteristics (households, incomes, property value), business value (property, sales, employment), transportation infrastructure (I-5, I-205, Columbia-Sandy Corridor, Union Pacific and BNSF Railways and rail volumes, truck trips, airports, etc.), and the expected impact of canceling current development plans and increasing household insurance payments. The study will provide baseline information to inform future development of design alternatives to repair deficiencies and meet accreditation standards.

Community Asset Inventory:

The central purpose of the community asset inventory is to identify existing or planned features in the districts, either natural or built, that are of high value to stakeholders. The inventory will focus only on those community assets that are either on or directly adjacent to levees or other flood management infrastructure (pump stations, ditches, flood wall) or those that would otherwise be likely to impact levees, the flood management system as currently built or have a major impact on the flood management system. This inventory will capture the impact of resources that may not have a high monetary value but have a high societal value with community members. This information

will be used to inform future development of design alternatives to repair deficiencies and meet accreditation standards.

Climate Change Study

The project team has opted for a pro-active approach to the accreditation process for the levee system and is commissioning a climate change study to inform the future development of design alternatives to address deficiencies and meet accreditation standards. This pro-active approach includes the incorporation of the effects of a changing climate on the river hydrographs upstream of Portland and on sea level downstream at the mouth of the Columbia River (MCR). The US Geological Survey (USGS) and US Army Corps of Engineers (USACE) propose to provide this assistance in the form of hydrologic and hydraulic model simulations of the lower Columbia River (LCR) that incorporate the best available knowledge regarding peak flows in the Columbia and Willamette Rivers in a future climate, and projected sea level change (SLC) at the MCR, both of which affect river stage at Portland. The investment in the system is expected to protect future generations so it is important to understand how the system will operate over the next 30 to 50 years before a level of protection is selected when developing design alternatives to repair deficiencies and meet accreditation standards.

Estimated Cost: \$193,370

Estimated Timeline: August 2015 – September 2016

Primary Contractor: Varies by study

Category 2: Project Management

Summary of Work:

Note: This section refers to management of the full project scope.

Effective project management is required to ensure the project proceeds on schedule, within scope, and within budget. In addition, the cross-jurisdictional nature of the work requires elevated communication and coordination with public partners and key stakeholders.

The project management budget will be used to fund the work required to ensure effective management of the project scope, including but not limited to:

- Developing project plan, budgets, and timeline and ensuring on-time implementation;
- Soliciting contractors and overseeing contract work, including contracted engineers, studies and field explorations;
- Assuring compliance with federal, state and local laws and regulations, zoning codes, area plans, and district policies and procedures;
- Implementing all non-technical components of the project scope (including permit applications, negotiating maintenance agreements with levee embankment owners, conducting a cost-benefit analysis, etc.);
- Identifying best practices in other levee accreditation efforts and incorporating into project strategy;
- Coordinating stakeholder participation with partner agencies, community organizations, and property owners directly impacted by the work; and
- Facilitating decision-making at key project milestones.

This work will be completed by limited-duration staff person(s) hired by MCDD. MCDD serves as the administrative manager of SDIC via separate intergovernmental agreements. Thus the staffer(s) is a contractor of SDIC. Per the terms of those agreements, IFA financing will pay for actual time spent on this task based on hourly billing. Additional project costs associated with

general management, communications, legal, and project administration will be paid by SDIC assessments.

Estimated Cost: \$166,078

Estimated Timeline: July 2015 – December 2016

Primary Contractor: Multnomah County Drainage District No. 1

Category 3: MCDD Engineering Review

Summary of Work:

MCDD and SDIC are local sponsors for federally constructed levee systems within their district boundaries. Local sponsors are required to maintain levee systems to standards established by USACE, which includes requesting from USACE pre-authorization of all new activity within the levee boundary, from digging a trench to constructing a new building. At multiple phases of this project, USACE authorization or coordination is required to complete Category 1 (levee engineering assessments). In these cases, MCDD engineering staff will work with project consultants to prepare USACE authorization request packages, and will coordinate preliminary review from USACE on any proposed levee system changes.

In addition, the certified accreditation package provided by project consultants will include professional engineering stamps from multiple specialists, including geotechnical engineers, hydrologists, and civil engineers. MCDD engineer staff will provide a final review and certification of the overall application for MCDD and SDIC accreditation to FEMA.

This work will be completed by engineering staff hired by the Multnomah County Drainage District (MCDD). MCDD serves as the administrative manager of SDIC via separate intergovernmental agreements. Thus the staffer(s) is a contractor of SDIC. Per the terms of those agreements, IFA financing will pay for actual time spent on this task based on hourly billing.

Estimated Cost: \$30,670

Estimated Timeline: July 2015 – December 2016

Primary Contractor: Multnomah County Drainage District No. 1

Category 4: Project Contingency

This project description represents an estimate of the tasks required to achieve project goals, and the costs associated with that work. Where a contract is already in place to complete a task, the actual contract value was used for the cost estimates in this project description. For tasks where contracts have not yet been executed, estimates have been made based on the best available information gathered from similar projects completed in the western United States and opinions of experts in appropriate fields. However, the nature of this work is largely contingent upon local conditions which can vary dramatically from levee to levee, and even within a single levee system. Given this situation, a project contingency has been created to cover uncertainties or unforeseeable elements of time and cost within the normal execution of this project. The contingency represents approximately 10% of total project costs.

Estimated Cost: \$324,337

Estimated Timeline: N/A

Primary Contractor: N/A

Exhibit C

SPECIAL PUBLIC WORKS FUND DEVELOPMENT PROJECT FINANCING CONTRACT

Project Name: Multnomah County Levee Accreditation Evaluation for “Levee Ready Columbia” (Multnomah County Drainage District No. 1 and Sandy Drainage Improvement Company)

Project Number: X16001

This financing contract (“Contract”), dated as of the date the Contract is fully executed, is made by the State of Oregon, acting by and through the Oregon Infrastructure Finance Authority (“IFA”), and Multnomah County (“Recipient”) for financing of the project referred to above and described in Exhibit D (“Project”). This Contract becomes effective only when fully signed and approved as required by applicable law. Capitalized terms not defined in section 1 and elsewhere in the body of the Contract have the meanings assigned to them by Exhibit A.

This Contract includes the following exhibits, listed in descending order of precedence for purposes of resolving any conflict between two or more of the parts:

Exhibit A	General Definitions
Exhibit B	Security
Exhibit C-1	Form of Promissory Note MCDD-A
Exhibit C-2	Form of Promissory Note MCDD-B
Exhibit C-3	Form of Promissory Note SDIC-A
Exhibit C-4	Form of Promissory Note SDIC-B
Exhibit D	Project Description; Project Special Condition
Exhibit E	Project Budget

SECTION 1 - KEY TERMS

The following capitalized terms have the meanings assigned below.

“Estimated Project Cost” means \$3,567,712.

“MCDD Grant Amount” means \$50,000.

“MCDD-A Loan Amount” means \$1,000,000.

“MCDD-B Loan Amount” means \$1,517,952.

“Maturity Date” means the 6th anniversary of the Repayment Commencement Date.

“Note Interest Rate” means, individually without distinction, the interest rate accruing on a Loan.

“Note MCDD-A Interest Rate” means 0%.

“Note MCDD-B Interest Rate” means 1.84% per annum, computed on the basis of a 360-day year, consisting of twelve 30-day months.

“Note SDIC-A Interest Rate” means 0%.

“Note SDIC-B Interest Rate” means 1.84% per annum, computed on the basis of a 360-day year, consisting of twelve 30-day months.

“Payment Date” means 1 December.

“Project Closeout Deadline” means 90 days after the earlier of the Project Completion Date or the Project Completion Deadline.

“Project Completion Deadline” means 24 months after the date of this Contract.

“Repayment Commencement Date” means the first Payment Date to occur after the Project Closeout Deadline.

“SDIC Grant Amount” means \$50,000.

“SDIC-A Loan Amount” means \$499,880.

“SDIC-B Loan Amount” means \$449,880.

SECTION 2 - FINANCIAL ASSISTANCE

The IFA shall provide Recipient, and Recipient shall accept from IFA, financing for the Project specified below:

- A. A grant in an aggregate amount not to exceed the MCDD Grant Amount (“MCDD Grant”).
- B. A grant in an aggregate amount not to exceed the SDIC Grant Amount (“SDIC Grant”).
- C. A non-revolving loan in an aggregate principal amount not to exceed the MCDD-A Loan Amount (“MCDD-A Loan”).
- D. A non-revolving loan in an aggregate principal amount not to exceed the MCDD-B Loan Amount (“MCDD-B Loan”).
- E. A non-revolving loan in an aggregate principal amount not to exceed the SDIC-A Loan Amount (“SDIC-A Loan”).
- F. A non-revolving loan in an aggregate principal amount not to exceed the SDIC-B Loan Amount (“SDIC-B Loan”).

“Loan” means collectively and individually without distinction, as the context requires, the MCDD-A Loan, the MCDD-B Loan, the SDIC-A Loan, and the SDIC-B Loan. “Grant” means collectively and individually without distinction, as the context requires, the MCDD Grant and the SDIC Grant.

Notwithstanding the above, the aggregate total of Financing Proceeds disbursed under this Contract cannot exceed the Costs of the Project.

SECTION 3 - DISBURSEMENTS

- A. Reimbursement Basis. The Financing Proceeds will be disbursed to Recipient on an expense reimbursement or costs-incurred basis. The Recipient must submit each disbursement request for the Financing Proceeds on an IFA-provided or IFA-approved disbursement request form (“Disbursement Request”).
- B. Financing Availability. The IFA’s obligation to make, and Recipient’s right to request, disbursements under this Contract terminates on the Project Closeout Deadline.
- C. Payment to Contractors. The IFA, in its sole discretion, may make direct payment to suppliers, contractors and subcontractors and others for sums due them in connection with construction of the Project, instead of reimbursing Recipient for those sums.
- D. Order of Disbursement. The Recipient authorizes IFA to determine whether disbursements will be drawn from the Loan or the Grant, and record the date and amount of each such disbursement. Absent manifest error, such notations will be conclusive evidence for determining accrual of interest on the principal balance of the Loan and the remaining Loan or Grant amount available for disbursement.

SECTION 4 - LOAN PAYMENT; PREPAYMENT

- A. Promise to Pay. The Recipient shall repay the Loan and all amounts due under this Contract and the Note in accordance with their terms. Payments required under this Contract are, without limitation, payable from the sources of repayment described in the Act and this Contract, including but not limited to Exhibit B, and the obligation of Recipient to make all payments is absolute and unconditional. Payments will not be abated, rebated, set-off, reduced, abrogated, terminated, waived, postponed or otherwise modified in any manner whatsoever. Payments cannot remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project, commercial frustration of purpose, any change in the laws, rules or regulations of the United States of America or of the State of Oregon or any political subdivision or governmental authority, nor any failure of IFA to perform any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with the Project or this Contract, or any rights of set off, recoupment, abatement or counterclaim that Recipient might otherwise have against IFA or any other party or parties; provided further, that payments hereunder will not constitute a waiver of any such rights.
- B. Interest. Interest accrues at the Note Interest Rate on each disbursement from the date of disbursement until the Loan is fully paid. All unpaid interest accrued to the Repayment Commencement Date is (in addition to the first regular installment payment due) payable on the Repayment Commencement Date.
- C. Loan Payments. Starting on the Repayment Commencement Date and then on each succeeding Payment Date, Recipient shall make level installment payments of principal, and interest as applicable, each payment sufficient to pay the interest accrued to the date of payment and so much of the principal as will fully amortize the Loan by the Maturity Date, on which date the entire outstanding balance of the Loan is due and payable in full.
- D. Loan Prepayments.
- (1) Mandatory Prepayment. The Recipient shall prepay all or part of the outstanding balance of the Loan as required by this Contract or the Note.
 - (2) Optional Prepayment. The Recipient may prepay all or part of the outstanding balance of the Loan on any day except a Saturday, Sunday, legal holiday or day that banking institutions in Salem, Oregon are closed.
- E. Application of Payments. Regardless of any designation by Recipient, payments and prepayments by Recipient under this Contract or any of the Financing Documents will be applied first to any expenses of IFA, including but not limited to attorneys' fees, then to unpaid accrued interest (in the case of prepayment, on the amount prepaid), then to the principal of the Loan. In the case of a Loan prepayment that does not prepay all the principal of the Loan, IFA will determine, in its sole discretion, the method for how the Loan prepayment will be applied to the outstanding principal payments. A scheduled payment received before the scheduled repayment date will be applied to interest and principal on the scheduled repayment date, rather than on the day such payment is received.

SECTION 5 - CONDITIONS PRECEDENT

A. Conditions Precedent to IFA's Obligations. The IFA's obligations are subject to the receipt of the following items, in form and substance satisfactory to IFA and its Counsel:

- (1) This Contract duly signed by an authorized officer of Recipient.
- (2) The Note duly signed by an authorized officer of Recipient.
- (3) A copy of the ordinance, order or resolution of the governing body of Recipient authorizing the borrowing and the contemplated transactions and the execution and delivery of this Contract, the Note and the other Financing Documents.
- (4) A copy of a duly executed agreement (and any amendments thereto) among Recipient, Multnomah County Drainage District No.1 ("MCDD") and the Sandy Drainage Improvement Company ("SDIC"); SDIC and MCDD referred to collectively and individually without distinction as "District," that contains provisions substantially in the following form:

"For the purposes of the covenants below, "levee" means the levee of ("District") which benefited from the proceeds of the loan ("Loan") made by the State of Oregon acting by and through the Infrastructure Finance Authority ("IFA") to Multnomah County pursuant to Contract X16001 (defined below):

Compliance with Laws. District shall comply with all applicable laws, rules, regulations and orders of any court or governmental authority that relate to this intergovernmental agreement, and the operation of District's levee system, as it may be modified or expanded from time to time.

Property Interests in Levees. During the term of financing contract X16001 between IFA and Multnomah County ("Contract X16001"), the District shall take all actions necessary to maintain its easements or other legal rights and interests in the real property constituting the District's levee system, unless Multnomah County and IFA have received 90 days' prior written notice and agree otherwise in writing.

Insurance, Damage. District shall maintain, or cause to be maintained, insurance policies with responsible insurers or self insurance programs, insuring against liability and risk of direct physical loss, damage or destruction of its owned assets, at least to the extent that similar insurance is customarily carried by governmental units constructing, operating and maintaining similar facilities. Nothing in this provision precludes District from exerting a defense against any party other than IFA or Multnomah County, including a defense of immunity. If the District's assets or any portion is destroyed, any insurance proceeds will be paid to Multnomah County and applied to prepay the outstanding balance on the Loan, unless IFA agrees otherwise in writing.

Sales, Leases and Encumbrances. District shall not sell, lease, exchange, abandon, transfer or otherwise dispose of any substantial portion of or interest in its owned assets unless worn out, obsolete, or, in the reasonable business judgment of District, no longer useful to the operation of the levees, nor agree to any transfer, diminution, or abrogation of rights and powers related to its ability to generate revenues for payment for the Loan. Nevertheless, Multnomah County and IFA may consent to such disposition if they have received 90 days' prior written notice. Such consent may require assumption by transferee of all of District's obligations under this agreement. In the case of sale, exchange, transfer or other similar disposition, District shall, within 30 days of receipt of any proceeds from such disposition, transfer such proceeds to Multnomah County to be applied by Multnomah County as a

mandatory prepayment on the Loan in accordance with section 4.D.(1) of Contract X16001, unless IFA agrees otherwise in writing.

Procurement Standards. When procuring goods or services (including professional consulting services) paid with Loan proceeds, District shall follow state procurement regulations found in the Oregon Public Contracting Code, ORS chapters 279A, 279B and 279C.”

- (5) Such other certificates, documents, opinions and information as IFA may reasonably require.
- B. Conditions to Disbursements. As to any disbursement, IFA has no obligation to disburse funds unless all following conditions are met:
- (1) There is no Default or Event of Default.
 - (2) The representations and warranties made in this Contract are true and correct on the date of disbursement as if made on such date.
 - (3) The IFA, in the reasonable exercise of its administrative discretion, has sufficient moneys in the Fund for use in the Project and has sufficient funding, appropriations, limitations, allotments and other expenditure authority to make the disbursement.
 - (4) The IFA (a) has received a completed Disbursement Request, (b) has received any written evidence of materials and labor furnished to or work performed upon the Project, itemized receipts or invoices for payment, and releases, satisfactions or other signed statements or forms as IFA may require, (c) is satisfied that all items listed in the Disbursement Request are reasonable and that the costs for labor and materials were incurred and are properly included in the Costs of the Project, and (d) has determined that the disbursement is only for costs defined as eligible costs under the Act and any implementing administrative rules and policies.
 - (5) The Recipient has delivered documentation satisfactory to IFA that, in addition to the Financing Proceeds, Recipient has available or has obtained binding commitments for all funds necessary to complete the Project.
 - (6) Any conditions to disbursement elsewhere in this Contract or in the other Financing Documents are met.

SECTION 6 - USE OF FINANCIAL ASSISTANCE

- A. Use of Proceeds. The Recipient shall use the Financing Proceeds only for the activities described in Exhibit D and according to the budget in Exhibit E. The Recipient may not transfer Financing Proceeds among line items in the budget without the prior written consent of IFA.
- B. Costs of the Project. The Recipient shall apply the Financing Proceeds to the Costs of the Project in accordance with the Act and Oregon law, as applicable. Financing Proceeds cannot be used for costs in excess of one hundred percent (100%) of the total Costs of the Project and cannot be used for pre-Award Costs of the Project, unless permitted by Exhibit D.
- C. Costs Paid for by Others. The Recipient may not use any of the Financing Proceeds to cover costs to be paid for by other financing for the Project from another State of Oregon agency or any third party.

SECTION 7 - REPRESENTATIONS AND WARRANTIES OF RECIPIENT

In reviewing and executing this Contract, the Recipient has been represented and advised by its general counsel, the Multnomah County Attorney, and, on the advice of such counsel as well as the Recipient's own knowledge and expertise, the Recipient hereby represents and warrants to IFA:

- A. Estimated Project Cost, Funds for Repayment. A reasonable estimate of the Costs of the Project is shown in section 1, and the Project is fully funded. The Recipient will have adequate funds available to repay the Loan, and the Maturity Date does not exceed the usable life of the Project.
- B. Organization and Authority.
- (1) The Recipient is a Municipality under the Act, and validly organized and existing under the laws of the State of Oregon.
 - (2) The Recipient has all necessary right, power and authority under its organizational documents and under Oregon law to (a) execute and deliver this Contract and the other Financing Documents, (b) incur and perform its obligations under this Contract and the other Financing Documents, and (c) borrow and receive financing for the Project.
 - (3) This Contract, the Note and the other Financing Documents executed and delivered by Recipient have been authorized by an ordinance, order or resolution of Recipient's governing body, and voter approval, if necessary, that was adopted in accordance with applicable law and requirements for filing public notices and holding public meetings.
 - (4) This Contract and the other Financing Documents have been duly executed by Recipient, and when executed by IFA, are legal, valid and binding, and enforceable in accordance with their terms.
- C. Full Disclosure. The Recipient has disclosed in writing to IFA all facts that materially adversely affect the Project, or the ability of Recipient to make all payments and perform all obligations required by this Contract, the Note and the other Financing Documents. The Recipient has made no false statements of fact, nor has it omitted information necessary to prevent any statements from being misleading. The information contained in this Contract and the other Financing Documents is true and accurate in all respects.
- D. Pending Litigation. The Recipient has disclosed in writing to IFA all proceedings pending (or to the knowledge of Recipient, threatened) against or affecting Recipient, in any court or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would materially adversely affect the Project or the ability of Recipient to make all payments and perform all obligations required by this Contract, the Note and the other Financing Documents.
- E. No Defaults.
- (1) No Defaults or Events of Default exist or occur upon authorization, execution or delivery of this Contract or any of the Financing Documents.
 - (2) The Recipient has not violated, and has not received notice of any claimed violation of, any agreement or instrument to which it is a party or by which the Project or its property may be bound, that would materially adversely affect the Project or the ability of Recipient to make all payments and perform all obligations required by this Contract, the Note and the other Financing Documents.
- F. Compliance with Existing Agreements and Applicable Law. The authorization and execution of, and the performance of all obligations required by, this Contract and the other Financing Documents will not: (i) cause a breach of any agreement, indenture, mortgage, deed of trust, or other instrument, to

which Recipient is a party or by which the Project or any of its property or assets may be bound; (ii) cause the creation or imposition of any third party lien, charge or encumbrance upon any property or asset of Recipient; (iii) violate any provision of the charter or other document pursuant to which Recipient was organized or established; or (iv) violate any laws, regulations, ordinances, resolutions, or court orders related to Recipient, the Project or its properties or operations.

- G. Governmental Consent. The Recipient has obtained or will obtain all permits and approvals, and has made or will make all notifications, declarations, filings or registrations, required for the making and performance of its obligations under this Contract, the Note and the other Financing Documents, for the financing or refinancing and undertaking and completion of the Project.

SECTION 8 - COVENANTS OF RECIPIENT

The Recipient covenants as follows:

- A. Notice of Adverse Change. The Recipient shall promptly notify IFA of any adverse change in the activities, prospects or condition (financial or otherwise) of Recipient or the Project related to the ability of Recipient to make all payments and perform all obligations required by this Contract, the Note or the other Financing Documents.
- B. Compliance with Laws. The Recipient shall comply with all applicable laws, rules, regulations and orders of any court or governmental authority that relate to this Contract or the other Financing Documents, and the Project, and the operation of the levee systems to which the Project is related, as it may be modified or expanded from time to time. In particular, but without limitation, Recipient shall comply with the following, as applicable:
- (1) State procurement regulations found in the Oregon Public Contracting Code, ORS chapters 279A, 279B and 279C.
 - (2) State labor standards and wage rates found in ORS chapter 279C.
 - (3) OAR 123-042-0165 (5) requirements for signs and notifications.
- These laws, rules, regulations and orders are incorporated by reference in this Contract to the extent required by law.
- C. Project Completion Obligations. The Recipient shall:
- (1) Complete the Project using its own fiscal resources or money from other sources to pay for any Costs of the Project in excess of the total amount of financial assistance provided pursuant to this Contract.
 - (2) Complete the Project no later than the Project Completion Deadline, unless otherwise permitted by the IFA in writing.
 - (3) No later than the Project Closeout Deadline, provide IFA with a final project completion report on a form provided by IFA, including Recipient's certification that the Project is complete, all payments are made, and no further disbursements are needed; provided however, for the purposes of this Contract, IFA will be the final judge of the Project's completion.
- D. Financial Records. The Recipient shall keep accurate books and records for the revenues and funds that are the source of repayment of the Loan, separate and distinct from its other books and records, and maintain them according to generally accepted accounting principles established by the Government Accounting Standards Board in effect at the time. The Recipient shall have these records audited annually by an independent certified public accountant, which may be part of the annual audit of all records of Recipient.

- E. Inspections; Information. The Recipient shall permit IFA and any party designated by IFA: (i) to inspect, at any reasonable time, the property, if any, constituting the Project; and (ii) at any reasonable time, to inspect and make copies of any accounts, books and records, including, without limitation, its records regarding receipts, disbursements, contracts, investments and any other related matters, and financial statements or other documents related to its financial standing. The Recipient shall supply any related reports and information as IFA may reasonably require. In addition, Recipient shall, upon request, provide IFA with copies of loan documents or other financing documents and any official statements or other forms of offering prospectus relating to any other bonds, notes or other indebtedness of Recipient that are issued after the date of this Contract.
- F. Records Maintenance. The Recipient shall retain and keep accessible all books, documents, papers, and records that are directly related to this Contract, the Project or the Financing Proceeds for a minimum of six years, or such longer period as may be required by other provisions of this Contract or applicable law, following the Project Closeout Deadline. If there are unresolved issues at the end of such period, Recipient shall retain the books, documents, papers and records until the issues are resolved.
- G. Economic Benefit Data. The IFA may require Recipient to submit specific data on the economic development benefits of the Project and other information to evaluate the success and economic impact of the Project, from the date of this Contract until six years after the Project Completion Date. The Recipient shall, at its own expense, prepare and submit the data within the time specified by IFA.
- H. Minority, Women & Emerging Small Business. ORS 200.090 requires all public agencies to “aggressively pursue a policy of providing opportunities for available contracts to emerging small businesses...” The IFA encourages Recipient in any contracting activity to follow good faith efforts as described in ORS 200.045. Additional resources are provided by the Director of Economic & Business Equity in the Office of the Governor. Also, the Office of Minority, Women, and Emerging Small Business at the Oregon Business Development Department maintains a list of certified firms and can answer questions. Search for certified MWESB firms on the web at: <https://oregon4biz.diversitysoftware.com/FrontEnd/VendorSearchPublic.asp>.
- I. Professional Responsibility. All service providers on the Project retained for their professional expertise must be certified, licensed, or registered, as appropriate, in the State of Oregon for their specialty.
- J. Notice of Default. The Recipient shall give IFA prompt written notice of any Default as soon as any senior administrative or financial officer of Recipient becomes aware of its existence or reasonably believes a Default is likely.
- K. Indemnity. To the extent authorized by law, Recipient shall defend (subject to ORS chapter 180), indemnify, save and hold harmless IFA and its officers, employees and agents from and against any and all claims, suits, actions, proceedings, losses, damages, liability and court awards including costs, expenses, and attorneys’ fees incurred related to any actual or alleged act or omission by Recipient, or its employees, agents or contractors; however, the provisions of this section are not to be construed as a waiver of any defense or limitation on damages provided for under Chapter 30 of the Oregon Revised Statutes or under the laws of the United States or other laws of the State of Oregon.
- L. Further Assurances. The Recipient shall, at the request of IFA, authorize, sign, acknowledge and deliver any further resolutions, conveyances, transfers, assurances, financing statements and other instruments and documents as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Contract and the other Financing Documents.

SECTION 9 - DEFAULTS

Any of the following constitutes an “Event of Default”:

- A. The Recipient fails to make any Loan payment when due.
- B. The Recipient fails to make, or cause to be made, any required payments of principal, redemption premium, or interest on any bonds, notes or other material obligations, for any other loan made by the State of Oregon.
- C. Any false or misleading representation is made by or on behalf of Recipient, in this Contract, in any other Financing Document or in any document provided by Recipient related to this Loan or the Project.
- D.
 - (1) A petition, proceeding or case is filed by or against Recipient under any federal or state bankruptcy or insolvency law, and in the case of a petition filed against Recipient, Recipient acquiesces to such petition or such petition is not dismissed within 20 calendar days after such filing, or such dismissal is not final or is subject to appeal;
 - (2) The Recipient files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, dissolution, winding-up or composition or adjustment of debts;
 - (3) The Recipient becomes insolvent or bankrupt or admits its inability to pay its debts as they become due, or makes an assignment for the benefit of its creditors;
 - (4) The Recipient applies for or consents to the appointment of, or taking of possession by, a custodian (including, without limitation, a receiver, liquidator or trustee) of Recipient or any substantial portion of its property; or
 - (5) The Recipient takes any action for the purpose of effecting any of the above.
- E. The Recipient defaults under any other Financing Document and fails to cure such default within the applicable grace period.
- F. The Recipient fails to perform any obligation required under this Contract, other than those referred to in subsections A through E of this section 9, and that failure continues for a period of 30 calendar days after written notice specifying such failure is given to Recipient by IFA. The IFA may agree in writing to an extension of time if it determines Recipient instituted and has diligently pursued corrective action.

SECTION 10 - REMEDIES

- A. Remedies. Upon any Event of Default, IFA may pursue any or all remedies in this Contract, the Note or any other Financing Document, and any other remedies available at law or in equity to collect amounts due or to become due or to enforce the performance of any obligation of Recipient. Remedies may include, but are not limited to:
 - (1) Terminating IFA’s commitment and obligation to make any further disbursements of Financing Proceeds under the Contract.
 - (2) Declaring all payments under the Note and all other amounts due under any of the Financing Documents immediately due and payable, and upon notice to Recipient the same become due and payable without further notice or demand.
 - (3) Barring Recipient from applying for future awards.

- (4) Withholding amounts otherwise due to Recipient for application to the payment of amounts due under this Contract, including as provided in ORS 285B.449; however, this provision is not to be construed in a way that Recipient's obligations would constitute debt that violates Section 10, Article XI of the Oregon Constitution.
 - (5) Foreclosing liens or security interests pursuant to this Contract or any other Financing Document.
 - (6) Requiring repayment of the Grant and all interest earned by Recipient on those Grant funds.
- B. Application of Moneys. Any moneys collected by IFA pursuant to section 10.A will be applied first, to pay any attorneys' fees and other fees and expenses incurred by IFA; then, to repay any Grant proceeds owed; then, to pay interest due on the Loan; then, to pay principal due on the Loan; and last, to pay any other amounts due and payable under this Contract or any of the Financing Documents.
- C. No Remedy Exclusive; Waiver; Notice. No remedy available to IFA is intended to be exclusive, and every remedy will be in addition to every other remedy. No delay or omission to exercise any right or remedy will impair or is to be construed as a waiver of such right or remedy. No single or partial exercise of any right power or privilege under this Contract or any of the Financing Documents will preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. The IFA is not required to provide any notice in order to exercise any right or remedy, other than notice required in section 9 of this Contract.
- D. Default by IFA. In the event IFA defaults on any obligation in this Contract, Recipient's remedy will be limited to injunction, special action, action for specific performance, or other available equitable remedy for performance of IFA's obligations.

SECTION 11 - MISCELLANEOUS

- A. Time is of the Essence. The Recipient agrees that time is of the essence under this Contract and the other Financing Documents.
- B. Relationship of Parties; Successors and Assigns; No Third Party Beneficiaries.
- (1) The parties agree that their relationship is that of independent contracting parties and that Recipient is not an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265.
 - (2) Nothing in this Contract gives, or is to be construed to give, directly or indirectly, to any third persons any rights and benefits greater than those enjoyed by the general public.
 - (3) This Contract will be binding upon and inure to the benefit of IFA, Recipient, and their respective successors and permitted assigns.
 - (4) The Recipient may not assign or transfer any of its rights or obligations or any interest in this Contract or any other Financing Document without the prior written consent of IFA. The IFA may grant, withhold or impose conditions on such consent in its sole discretion. In the event of an assignment, Recipient shall pay, or cause to be paid to IFA, any fees or costs incurred because of such assignment, including but not limited to attorneys' fees of IFA's Counsel and Bond Counsel. Any approved assignment is not to be construed as creating any obligation of IFA beyond those in this Contract or other Financing Documents, nor does assignment relieve Recipient of any of its duties or obligations under this Contract or any other Financing Documents.

Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

Notwithstanding the prior paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

J. Integration. This Contract (including all exhibits, schedules or attachments) and the other Financing Documents constitute the entire agreement between the parties on the subject matter. There are no unspecified understandings, agreements or representations, oral or written, regarding this Contract.

K. Execution in Counterparts. This Contract may be signed in several counterparts, each of which is an original and all of which constitute one and the same instrument.

The Recipient, by its signature below, acknowledges that it has read this Contract, understands it, and agrees to be bound by its terms and conditions.



STATE OF OREGON
acting by and through the
Oregon Infrastructure Finance Authority



MULTNOMAH COUNTY

By: _____
Paulina Layton, Manager
Program Services Division

By: _____
Deborah Kafoury, Chair
County Commission

Date: _____

Date: _____

**APPROVED AS TO LEGAL SUFFICIENCY IN
ACCORDANCE WITH ORS 291.047:**

Reviewed By:
Jenny M. Madkour, County Attorney

By: /s/ Keith L. Kutler as per email
Keith Kutler, Assistant Attorney General

Jed Tomkins, Assistant County Attorney

Date: 28 August 2015

Date: _____

EXHIBIT A - GENERAL DEFINITIONS

As used in this Contract, the following terms have the meanings below.

“Act” means ORS 285B.410 through 285B.482, as amended.

“Award” means the award of financial assistance to Recipient by IFA dated 14 Aug 2015.

“Costs of the Project” means Recipient’s actual costs (including any financing costs properly allocable to the Project) that are (a) reasonable, necessary and directly related to the Project, (b) permitted by generally accepted accounting principles to be Costs of the Project, and (c) are eligible or permitted uses of the Financing Proceeds under applicable state or federal statute and rule.

“Counsel” means an attorney at law or firm of attorneys at law duly admitted to practice law before the highest court of any state, who may be of counsel to, or an employee of, IFA or Recipient.

“Default” means an event which, with notice or lapse of time or both, would become an Event of Default.

“Financing Documents” means this Contract and all agreements, instruments, documents and certificates (including but not limited to all promissory notes) executed pursuant to or in connection with IFA’s financing of the Project.

“Financing Proceeds” means the proceeds of the Loan and Grant collectively or Loan or Grant individually without distinction.

“Municipality” means any entity described in ORS 285B.410(8).

“MCDD-A Note” means that certain promissory note evidencing MCDD-A Loan, substantially in the form of Exhibit C-1, as amended, extended or renewed from time to time.

“MCDD-B Note” means that certain promissory note evidencing MCDD-B Loan, substantially in the form of Exhibit C-2, as amended, extended or renewed from time to time.

“Note” means collectively and individually without distinction, the MCDD-A Note, MCDD-B Note, SDIC-A Note and SDIC-B Note.

“SDIC-A Note” means that certain promissory note evidencing SDIC-A Loan, substantially in the form of Exhibit C-3, as amended, extended or renewed from time to time.

“SDIC-B Note” means that certain promissory note evidencing SDIC-B Loan, substantially in the form of Exhibit C-4, as amended, extended or renewed from time to time.

“ORS” means the Oregon Revised Statutes.

“Project Completion Date” means the date on which Recipient completes the Project.

EXHIBIT B - SECURITY

General Fund Pledge. The Recipient pledges its full faith and credit and taxing power within the limitations of Article XI, sections 11 and 11 b, of the Oregon Constitution to pay the amounts due under this Contract and the Note. This Contract and the Note are payable from all legally available funds of Recipient.

EXHIBIT C-1 - FORM OF PROMISSORY NOTE MCDD-A

Multnomah County

MCDD-A PROMISSORY NOTE

Dated XXXXXXXXXXXXXXXXXX, XXXX
XXXXXXXXXXXXXXXXXX, Oregon

FOR VALUE RECEIVED, Multnomah County, 501 SE Hawthorne, Suite 531, Portland, OR 97214 (“Recipient”), unconditionally promises to pay in lawful money of the United States of America to the order of the STATE OF OREGON, ACTING BY AND THROUGH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY (“IFA”), at its principal office at 775 Summer Street NE, Suite 200, Salem, OR 97301-1280, or such other place as IFA or other holder of this Note may designate, the principal sum of One Million Dollars (\$1,000,000) or so much as is disbursed under the Contract (as defined below), plus interest on each disbursement at the Note Interest Rate of Zero percent (0%) per annum, from the disbursement date until paid. Interest will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

This Note is subject to and secured by that certain contract, number X16001, between IFA and Recipient (as amended from time to time, the “Contract”). Capitalized terms not otherwise defined in this Note will have the meanings assigned to them by the Contract.

The Recipient shall make level installment payments of principal, commencing on the Repayment Commencement Date and thereafter on each Payment Date. Each such installment will be in an amount as will fully amortize the Loan by the Maturity Date. On the Maturity Date, the entire outstanding principal balance will be due and payable in full.

This Note is subject to mandatory prepayment and is payable prior to its maturity, and each payment made by Recipient will be applied as provided in section 4 (Loan Payment; Prepayment) of the Contract.

This Note is given to avoid the execution by Recipient of an individual note for each disbursement of Loan proceeds by IFA to Recipient in accordance with section 3 (Disbursements) of the Contract. The Recipient authorizes IFA to record the date and amount of each such disbursement and the date and amount of each payment and prepayment by Recipient. Absent manifest error, such notations will be conclusive evidence of borrowing and payments under this Note; provided, however, that failure to make any such notations will not affect the obligations of Recipient under this Note or the Contract.

If any Event of Default occurs, the outstanding balance of the Note (including principal and other charges, if any), at the option of IFA, becomes immediately due and payable in accordance with section 10 (Remedies) of the Contract. Failure or delay of the holder of this Note to exercise any option available under the terms of this Note, the Contract or any of the Financing Documents will not constitute a waiver of the right to exercise the option in the event of any continuing or subsequent default of the same or of any other provision. Presentment, dishonor, notice of dishonor, and protest are hereby waived.

To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Note is entitled to recover its reasonable attorneys’ fees and costs at trial and on appeal. Reasonable attorneys’ fees cannot exceed the rate charged to IFA by its attorneys. The Recipient shall, on demand, pay to IFA reasonable expenses incurred by IFA in the collection of Loan payments.

The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Note, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Notice to Recipient: Do not sign this Note before you read it.

MULTNOMAH COUNTY

By: _____XXXXXXXXXXXXXXXXXXXX

Title: _____XXXXXXXXXXXXXXXXXXXX

Sample

EXHIBIT C-2 - FORM OF PROMISSORY NOTE MCDD-B

Multnomah County

MCDD-B PROMISSORY NOTE

Dated XXXXXXXXXXXXXXXXXX, XXXX
XXXXXXXXXXXXXXXXXX, Oregon

FOR VALUE RECEIVED, Multnomah County, 501 SE Hawthorne, Suite 531, Portland, OR 97214 (“Recipient”), unconditionally promises to pay in lawful money of the United States of America to the order of the STATE OF OREGON, ACTING BY AND THROUGH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY (“IFA”), at its principal office at 775 Summer Street NE, Suite 200, Salem, OR 97301-1280, or such other place as IFA or other holder of this Note may designate, the principal sum of One Million, Five Hundred and Seventeen Thousand, Nine Hundred and Fifty-Two Dollars (\$1,517,952) or so much as is disbursed under the Contract (as defined below), plus interest on each disbursement at the Note Interest Rate of One and 84/100 percent (1.84%) per annum, from the disbursement date until paid. Interest will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

This Note is subject to and secured by that certain contract, number X16001, between IFA and Recipient (as amended from time to time, the “Contract”). Capitalized terms not otherwise defined in this Note will have the meanings assigned to them by the Contract.

The Recipient shall make level installment payments of principal and interest, commencing on the Repayment Commencement Date and thereafter on each Payment Date. Each such installment will be in an amount sufficient to pay the interest accrued to the date of payment and so much of the principal as will fully amortize the Loan by the Maturity Date. All unpaid interest that accrued to the Repayment Commencement Date is (in addition to the first regular installment payment due) payable on the Repayment Commencement Date. On the Maturity Date, the entire outstanding principal balance and all accrued unpaid interest will be due and payable in full.

This Note is subject to mandatory prepayment and is payable prior to its maturity, and each payment made by Recipient will be applied as provided in section 4 (Loan Payment; Prepayment) of the Contract.

This Note is given to avoid the execution by Recipient of an individual note for each disbursement of Loan proceeds by IFA to Recipient in accordance with section 3 (Disbursements) of the Contract. The Recipient authorizes IFA to record the date and amount of each such disbursement, the date and amount of each payment and prepayment by Recipient, and the amount of interest accrued and paid. Absent manifest error, such notations will be conclusive evidence of borrowing, payments and interest under this Note; provided, however, that failure to make any such notations will not affect the obligations of Recipient under this Note or the Contract.

If any Event of Default occurs, the outstanding balance of the Note (including principal, interest and other charges, if any), at the option of IFA, becomes immediately due and payable in accordance with section 10 (Remedies) of the Contract. Failure or delay of the holder of this Note to exercise any option available under the terms of this Note, the Contract or any of the Financing Documents will not constitute a waiver of the right to exercise the option in the event of any continuing or subsequent default of the same or of any other provision. Presentment, dishonor, notice of dishonor, and protest are hereby waived.

To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Note is entitled to recover its reasonable attorneys' fees and costs at trial and on appeal. Reasonable attorneys' fees cannot exceed the rate charged to IFA by its attorneys. The Recipient shall, on demand, pay to IFA reasonable expenses incurred by IFA in the collection of Loan payments.

The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Note, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Notice to Recipient: Do not sign this Note before you read it.

MULTNOMAH COUNTY

By: _____XXXXXXXXXXXXXXXXXXXX

Title: _____XXXXXXXXXXXXXXXXXXXX

Sample

EXHIBIT C-3 - FORM OF PROMISSORY NOTE SDIC-A

Multnomah County

SDIC-A PROMISSORY NOTE

Dated XXXXXXXXXXXXXXXXXX, XXXX
XXXXXXXXXXXXXXXXXX, Oregon

FOR VALUE RECEIVED, Multnomah County, 501 SE Hawthorne, Suite 531, Portland, OR 97214 (“Recipient”), unconditionally promises to pay in lawful money of the United States of America to the order of the STATE OF OREGON, ACTING BY AND THROUGH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY (“IFA”), at its principal office at 775 Summer Street NE, Suite 200, Salem, OR 97301-1280, or such other place as IFA or other holder of this Note may designate, the principal sum of Four Hundred and Ninety-Nine Thousand, Eight Hundred and Eighty Dollars (\$499,880) or so much as is disbursed under the Contract (as defined below), plus interest on each disbursement at the Note Interest Rate of Zero percent (0%) per annum, from the disbursement date until paid. Interest will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

This Note is subject to and secured by that certain contract, number X16001, between IFA and Recipient (as amended from time to time, the “Contract”). Capitalized terms not otherwise defined in this Note will have the meanings assigned to them by the Contract.

The Recipient shall make level installment payments of principal, commencing on the Repayment Commencement Date and thereafter on each Payment Date. Each such installment will be in an amount as will fully amortize the Loan by the Maturity Date. On the Maturity Date, the entire outstanding principal balance will be due and payable in full.

This Note is subject to mandatory prepayment and is payable prior to its maturity, and each payment made by Recipient will be applied as provided in section 4 (Loan Payment; Prepayment) of the Contract.

This Note is given to avoid the execution by Recipient of an individual note for each disbursement of Loan proceeds by IFA to Recipient in accordance with section 3 (Disbursements) of the Contract. The Recipient authorizes IFA to record the date and amount of each such disbursement and the date and amount of each payment and prepayment by Recipient. Absent manifest error, such notations will be conclusive evidence of borrowing and payments under this Note; provided, however, that failure to make any such notations will not affect the obligations of Recipient under this Note or the Contract.

If any Event of Default occurs, the outstanding balance of the Note (including principal, interest and other charges, if any), at the option of IFA, becomes immediately due and payable in accordance with section 10 (Remedies) of the Contract. Failure or delay of the holder of this Note to exercise any option available under the terms of this Note, the Contract or any of the Financing Documents will not constitute a waiver of the right to exercise the option in the event of any continuing or subsequent default of the same or of any other provision. Presentment, dishonor, notice of dishonor, and protest are hereby waived.

To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Note is entitled to recover its reasonable attorneys’ fees and costs at trial and on appeal. Reasonable attorneys’ fees cannot exceed the rate charged to IFA by its attorneys. The Recipient shall, on demand, pay to IFA reasonable expenses incurred by IFA in the collection of Loan payments.

The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Note, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Notice to Recipient: Do not sign this Note before you read it.

MULTNOMAH COUNTY

By: _____XXXXXXXXXXXXXXXXXXXX

Title: _____XXXXXXXXXXXXXXXXXXXX

Sample

EXHIBIT C-4 - FORM OF PROMISSORY NOTE SDIC-B

Multnomah County

SDIC-B PROMISSORY NOTE

Dated XXXXXXXXXXXXXXXXXX, XXXX
XXXXXXXXXXXXXXXXXX, Oregon

FOR VALUE RECEIVED, Multnomah County, 501 SE Hawthorne, Suite 531, Portland, OR 97214 (“Recipient”), unconditionally promises to pay in lawful money of the United States of America to the order of the STATE OF OREGON, ACTING BY AND THROUGH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY (“IFA”), at its principal office at 775 Summer Street NE, Suite 200, Salem, OR 97301-1280, or such other place as IFA or other holder of this Note may designate, the principal sum of Four Hundred and Forty-Nine Thousand, Eight Hundred and Eighty Dollars (\$449,880) or so much as is disbursed under the Contract (as defined below), plus interest on each disbursement at the Note Interest Rate of One and 84/100 percent (1.84%) per annum, from the disbursement date until paid. Interest will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

This Note is subject to and secured by that certain contract, number X16001, between IFA and Recipient (as amended from time to time, the “Contract”). Capitalized terms not otherwise defined in this Note will have the meanings assigned to them by the Contract.

The Recipient shall make level installment payments of principal and interest, commencing on the Repayment Commencement Date and thereafter on each Payment Date. Each such installment will be in an amount sufficient to pay the interest accrued to the date of payment and so much of the principal as will fully amortize the Loan by the Maturity Date. All unpaid interest that accrued to the Repayment Commencement Date is (in addition to the first regular installment payment due) payable on the Repayment Commencement Date. On the Maturity Date, the entire outstanding principal balance and all accrued unpaid interest will be due and payable in full.

This Note is subject to mandatory prepayment and is payable prior to its maturity, and each payment made by Recipient will be applied as provided in section 4 (Loan Payment; Prepayment) of the Contract.

This Note is given to avoid the execution by Recipient of an individual note for each disbursement of Loan proceeds by IFA to Recipient in accordance with section 3 (Disbursements) of the Contract. The Recipient authorizes IFA to record the date and amount of each such disbursement, the date and amount of each payment and prepayment by Recipient, and the amount of interest accrued and paid. Absent manifest error, such notations will be conclusive evidence of borrowing, payments and interest under this Note; provided, however, that failure to make any such notations will not affect the obligations of Recipient under this Note or the Contract.

If any Event of Default occurs, the outstanding balance of the Note (including principal, interest and other charges, if any), at the option of IFA, becomes immediately due and payable in accordance with section 10 (Remedies) of the Contract. Failure or delay of the holder of this Note to exercise any option available under the terms of this Note, the Contract or any of the Financing Documents will not constitute a waiver of the right to exercise the option in the event of any continuing or subsequent default of the same or of any other provision. Presentment, dishonor, notice of dishonor, and protest are hereby waived.

To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Note is entitled to recover its reasonable attorneys' fees and costs at trial and on appeal. Reasonable attorneys' fees cannot exceed the rate charged to IFA by its attorneys. The Recipient shall, on demand, pay to IFA reasonable expenses incurred by IFA in the collection of Loan payments.

The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Note, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Notice to Recipient: Do not sign this Note before you read it.

MULTNOMAH COUNTY

By: _____XXXXXXXXXXXXXXXXXXXX

Title: _____XXXXXXXXXXXXXXXXXXXX

Sample

EXHIBIT D - PROJECT DESCRIPTION; PROJECT SPECIAL CONDITION

I. PROJECT DESCRIPTION

The Recipient shall complete, or shall cause to be completed, engineering assessments of the current condition of the Multnomah County Drainage District No. 1 (MCDD) and Sandy Drainage Improvement Company (SDIC) levee systems as well as the interior drainage systems operating behind them, in compliance with National Flood Insurance Program levee accreditation standards documented in 44 CFR 65.10, through the Federal Emergency Management Agency (FEMA). In addition, Recipient will conduct mandatory inspections on levee infrastructure as a necessary step for MCDD and SDIC to remain active in the U.S. Army Corps of Engineers' Rehabilitation and Inspection Program (RIP) by receiving a rating of Minimally Acceptable or better.

Inventories and studies must be sufficient to allow the community to assess the resources protected and areas that could be improved for the desired level of protection, which will inform the development of alternatives to repair deficiencies identified by the levee engineering assessments. The Project will also include engineering review and project management activities delivered by MCDD.

Specific project tasks include, but are not limited to:

- Engineering Assessments (Phases 1-3)
 - Phase 1 - Background Research and Gap Analysis
 - Phase 2 - Work Plan, Data Collection, and Analysis
 - Embankment Erosion and Scour Protection Analyses
 - Embankment and Foundation Stability and Potential Seepage Analyses
 - Analyses of Potential Settlement and Loss of Levee Freeboard
 - Review of operation and maintenance plans and emergency operations plans
 - Compilation of final certification package to submit to FEMA for accreditation
 - Phase 3 - Additional Water Elevation Analyses
- Survey, Cross-Sections, and Encroachment Evaluations
- Interior Drainage Modeling Reports
- Rehabilitation and Inspection Program Compliance
- Environmental, Economic and Community Asset Inventories and Climate Change Study

II. PROJECT SPECIAL CONDITION

Engineering expenses incurred between 1 July 2015 and the date of award are eligible for reimbursement.

Exhibit D

ALLOCATION METHODOLOGY

Step 1: Allocate Regional Partner repayment responsibility between Phase II loans

Phase II is comprised of work being performed on the levees managed and operated by Sauvie Island Drainage Improvement Company (SIDIC), MCDD and SDIC. The Regional Partners (Metro, Port of Portland, and State of Oregon Regional Solutions Office) are either contributing cash or assuming a portion of the repayment obligations for the IFA loans (such contribution and assumption, the “RP Amount”). The RP Amount is allocated between SIDIC, MCDD and SDIC according to the size of the IFA award packages approved for each in Phase II. Thus, SIDIC will receive an allocation of 9.69% (\$382,800/\$3,950,512), and MCDD and SDIC will receive a total allocation of 90.31% (\$3,567,712/\$3,950,512) of the total Regional Partner contributions. Below is the RP Amount for each Regional Partner and the total dollar amount of the RP Amount to be allocated between MCDD and SDIC and Sauvie Island:

Metro	\$300,000
Port of Portland	\$200,000
State of Oregon Regional Solutions Office	\$200,000
<hr/>	
Total RP Amount	\$700,000
RP Amount for SIDIC (9.69% X \$700,000)	\$67,830
RP Amount for MCDD & SDIC (90.31% X \$700,000)	\$632,170

Because SIDIC is outside of Metro’s jurisdictional boundary, the entire RP Amount for SIDIC is allocated between the Port and the State. Below are the allocations of each Regional Partner’s RP Amount to SIDIC, MCDD and SDIC:

	SIDIC	MCDD & SDIC
Metro	\$0	\$300,000
Port of Portland	\$33,915	\$166,085
State of Oregon Regional Solutions Office	\$33,915	\$166,085
<hr/>		
Total RP Amount	\$67,830	\$632,170

Step 2: Determine the amount remaining after reducing the total amount of the MCDD & SDIC IFA Loan by the total RP Amount

MCDD & SDIC IFA Loan	\$3,567,712
MCDD & SDIC Total RP Amount	-\$632,170
<hr/>	
Remaining MCDD and SDIC IFA Loan Amount	\$2,935,542

Step 3: Determine the loan obligations for each of MCDD and SDIC by allocating the remaining IFA Loan Amount using levee miles and applying the two \$50,000 IFA grants

Levee miles in MCDD: 13.4 (80.04%)
 Levee miles in SDIC: 3.3 (19.96%)

	MCDD	SDIC
Allocated IFA Loan Amount	\$2,349,488	\$586,054
IFA grant	-\$50,000	-\$50,000
Allocated IFA Loan Obligation	\$2,299,488	\$536,054

Step 4: Allocate obligation for each levee systems 50/50 between drainage districts (which assess owners of protected property) and “map-holder” jurisdictions

	MCDD	SDIC
Drainage districts	\$1,149,744	\$268,027
Jurisdictions	\$1,149,744	\$268,027

Step 5: Allocate jurisdiction obligations using jurisdictional acreage protected by levee system

	Protected Acres (%)	Obligation
MCDD		
Fairview	608 (7.1%)	\$81,369
Gresham	367 (4.3%)	\$49,116
Multnomah County	150 (1.7%)	\$20,075
Portland	7,466 (86.9%)	\$999,183
	8,591 (100%)	\$1,149,744
SDIC		
Fairview	246 (15.9%)	\$42,538
Multnomah County	7 (0.5%)	\$1,210
Troutdale	1,297 (83.7%)	\$224,278
	1,550 (100%)	\$268,027

Step 6: Aggregate jurisdiction obligations into list with drainage districts and Regional Partners

Fairview (\$81,369 + \$42,538)	\$123,908
Gresham	\$49,116
Metro	\$300,000
MCDD	\$1,149,744
Port of Portland	\$166,085
Portland	\$999,183
SDIC	\$268,027
Troutdale	\$224,278
Multnomah County (\$20,075 + \$1,210)	\$21,286
	\$3,301,627

INTERGOVERNMENTAL AGREEMENT
for
Cost-Sharing of Levee Ready Columbia Expenses Not Covered by IFA Loans

This Intergovernmental Agreement (this “Agreement”) is authorized by ORS 190.010 and is made and entered into as of _____ (the “Effective Date”) by and among Multnomah County (the “County”), a home rule county of the State of Oregon, the City of Portland (“Portland”), an Oregon municipal corporation; the City of Gresham (“Gresham”), an Oregon municipal corporation; the City of Fairview (“Fairview”), an Oregon municipal corporation; the City of Troutdale (“Troutdale”), an Oregon municipal corporation; the Port of Portland (the “Port”), a port district of the state of Oregon; Multnomah County Drainage District No. 1 (“MCDD”), a special purpose local government organized under ORS Chapter 547; Peninsula Drainage District No. 1 (“PEN 1”) a special purpose local government organized under ORS Chapter 547; Peninsula Drainage District No. 2 (“PEN 2”) a special purpose local government organized under ORS Chapter 547; Sandy Drainage Improvement Company (“SDIC”), a nonprofit drainage improvement corporation organized under ORS Chapter 554, and the Sauvie Island Drainage Improvement Company (“SIDIC”), a nonprofit drainage improvement corporation organized under ORS Chapter 554 (collectively, the “Parties,” and each individually a “Party”).

RECITALS

- A. MCDD, PEN 1, PEN 2, SDIC, and SIDIC (collectively, the “Districts”) operate and maintain levees and drainage facilities along and in the vicinity of the Columbia River that lie within their respective jurisdictional boundaries, among other duties. The levees were originally constructed starting around 1916 and have been periodically upgraded by the U.S. Army Corps of Engineers (the “Corps”) since then. Through intergovernmental agreements (“District IGAs”), MCDD has general management authority of over all of the Districts except SIDIC. All references to MCDD in this Agreement will mean MCDD acting on its behalf and on behalf of PEN 1, PEN 2, and SDIC pursuant to the District IGAs.
- B. The Districts, except SIDIC, have formed an intergovernmental entity, the Columbia Corridor Drainage Districts Joint Contracting Authority (“CCDDJCA” or “JCA”), that has been delegated contracting authority and financial management for the four non-SIDIC districts for this and other multi-district projects. The JCA will assume MCDD's duties and responsibilities under this Agreement upon notice to the Parties once the JCA is set up and functioning.
- C. The Federal Emergency Management Agency (“FEMA”) provides federal assistance in the form of flood insurance to property owners located within areas at risk of flooding, provided the communities in which those properties are located participate in the National Flood Insurance Program (the “NFIP”). FEMA recognizes levees as providing flood protection to a particular area only if they are “certified” by a qualified private engineer or an eligible federal agency (including the Corps), and then “accredited” by FEMA.

- D. The Corps has evaluated and certified the levees in the Districts, which run along the Columbia Corridor (the “Columbia Corridor” encompasses 12,000 acres on the south shore of the Columbia River in the Portland, Oregon Metropolitan area) and Sauvie Island, which are now subject to recertification under differing timelines. Expiration of the certifications could lead to de-accreditation by FEMA. The certifications must be renewed to remain accredited by FEMA.
- E. There are severe economic consequences if FEMA accreditation of a levee system is not maintained. Properties located within a flood zone that is protected by a non-accredited levee system lose access to the lower flood insurance rates offered through FEMA’s NFIP. Without adequate flood insurance, those properties cannot access loans issued by federal agencies (e.g., Federal Housing Administration and Small Business Administration) and loans backed by the federal government (e.g., Veterans Administration, Fannie Mae, and Freddie Mac). In addition, properties within a flood zone that is protected by a non-accredited levee system also face floodplain development ordinances by jurisdictions that could severely restrict development in such areas.
- F. Lands protected by the levees along the Columbia Corridor and Sauvie Island are within the jurisdictional boundaries of one or more of the Parties. In addition, one or more of the Parties own lands, public facilities, or both, within the territory protected by the levees. Each Party would therefore be negatively affected by losing the federal assistance offered by the NFIP. Consequently, the Parties, in conjunction with the Oregon Solutions Program of the State of Oregon (“Oregon Solutions”), have formed a partnership entitled "Levee Ready Columbia" to work together collaboratively to obtain the necessary certifications and accreditations to ensure that the territories protected by the levees continue to qualify for the NFIP and are protected from flooding (the "Project").
- G. Business Oregon’s Infrastructure Finance Authority (the “IFA”) has approved three loans, one administered by the City and two administered by the County that will pay for the majority of the costs of conducting the necessary analyses to maintain certification. The Parties are parties to one or more of three intergovernmental agreements that provide for payment of the IFA loans.
- H. Pursuant to a separate agreement with the State of Oregon’s Business Oregon, the County will receive \$300,000 to be used to support the Project (the “Regional Solutions Support”). The Parties understand that \$200,000 of the Regional Solutions Support will be used to reduce the amount of the Project that will be financed with the IFA loans.
- I. The remaining \$100,000 of the Regional Solutions Support will be used to pay for certain Project costs that are not fundable through the IFA loans, and the purpose of this Agreement is to provide for payment of the remaining amount of such project costs that are not fundable through the IFA loans.

TERMS

The Parties agree as follows:

1. Cash Expenses. The IFA loans will fund the engineering analyses necessary to ascertain the levees' flood-control capacity. The Parties have determined that successful implementation of the Project requires funding outreach, public involvement, and coordination activities and expenditures that are not eligible for funding under the IFA loan (the "Cash Expenses"). The Cash Expenses generally fall within the following categories:
 - a. Communications / Stakeholder Engagement. In light of the magnitude of the work being performed as well as the breadth of stakeholders that are impacted, meaningful engagement with a large representation of diverse community members is required in order for the project to be a success. The stakeholder outreach and engagement budget will be used to fund the work required to increase community involvement, ensure jurisdictional stakeholders remain engaged in the process, and maximize the effectiveness of highly technical advisory committees. These activities will include, without limitation:
 - Developing a “brand” or identity for the project and building a website to keep community members and stakeholders updated on progress and opportunities for engagement;
 - Designing and printing signage, brochures, banners, and other materials to be used at meetings and events;
 - Implementing an earned media strategy through the hosting of events;
 - Development and implementation of online or print survey or similar instrument(s) to measure public involvement and effectiveness of outreach campaigns;
 - Advertising events;
 - Utilization of respected conveners, facilitators, and necessary staff support to ensure continued participation by the Districts, impacted jurisdictions, regional partners and other stakeholders; and
 - Utilization of a technical expert to manage and facilitate meetings of technical experts and engineers representing the full range of stakeholders in the project.

- b. Project Management. MCDD will provide overall project management and communications / outreach staffing and will solicit and manage any necessary communications or facilitation consultant contracts and other consultant contracts necessary to implement the Cash Expenses.
2. The total Cash Expenses for fiscal year 2015/2016 amount to \$441,050 ("Reimbursement Expenses"), and the County will pay the first \$100,000 of the Reimbursement Expenses using the Regional Solutions Support received by the County. Each Party's proportionate share of the remaining \$341,050 Reimbursement Expenses are set forth in the following Allocation Schedule. A detailed description of the calculation used to generate the Allocation Schedule is attached as Exhibit A.

	Cash Expenses Responsibility
Fairview	\$7,098
Gresham	\$2,748
MCDD	\$64,322
PEN 1	\$15,151
PEN 2	\$16,385
Port	\$100,000
Portland	\$87,435
SDIC	\$16,044
SIDIC	\$8,623
Troutdale	\$13,426
County	\$9,818
Total	\$341,050

3. The work described in Section 1 will be conducted by consultants and staff hired by MCDD. After MCDD has invoiced the County for \$100,000, to be paid with the Regional Solutions Support received by the County, each party shall pay their portion of the Cash Expenses ("Cash Expenses Responsibility") to MCDD not later than 30 days following the date of invoice by MCDD to each Party for its Cash Expenses Responsibility under this Agreement. MCDD shall keep an accounting of expenses paid from the Cash Expenses Responsibility and shall report on such expenses quarterly to the Parties.
4. IGA Entity. MCDD, PEN 1, PEN 2, and SDIC have entered into an intergovernmental agreement pursuant to ORS 190.085 to create an intergovernmental entity to act as a joint contracting agency for the purposes of receipt and expenditure of funds and contracting for goods, services, and construction services for the Project. The entity is entitled the "Columbia Corridor Drainage Districts Joint Contracting Authority" ("CCDDJCA" or "JCA"). Upon 30 days' written notice to the Parties that the JCA has been created and is ready to conduct business, the JCA will assume the duties and responsibilities of MCDD with regard to receipt and distribution of funding and entering into and administering

contracts under this Agreement. MCDD, PEN 1, PEN 2 and SDIC remain jointly responsible for ensuring that they and JCA make payments and carry out their obligations under this IGA.

5. To the maximum extent permitted by law and subject to the limitations of the Oregon Tort Claims Act, ORS Chapter 30, and the Oregon Constitution, each Party will defend, indemnify, and hold harmless the other Parties and their officers, employees, and agents from and against any and all liabilities, damages, claims, demands, judgments, losses, costs, expenses, fines, suits, and actions, whether arising in tort, contract, or by operation of any statute, including but not limited to attorneys' fees and expenses at trial and on appeal, relating to or resulting from the Party's performance of its responsibilities under this Agreement.
6. The laws of the State of Oregon will govern this Agreement and the Parties will submit to the jurisdiction of the courts of the State of Oregon.
7. This Agreement may be amended at any time with the written consent of all Parties.
8. Except as otherwise provided herein, the Parties may not assign any of their rights or responsibilities under this Agreement without prior written consent from MCDD.
9. All notices, communications, invoices, and payments required or permitted under this Agreement must be addressed as follows:

To County: Multnomah County
 Chief Financial Officer
 501 SE Hawthorne Blvd, Suite 531
 Portland, OR 97214

To Portland: City Debt Manager
 Office of Management and Finance
 1120 S.W. Fifth Avenue, Room 1250
 Portland, Oregon 97204-1988
 (503) 823-4222

To Gresham: The City of Gresham
 Environmental Services Director
 1333 N.W. Eastman Parkway
 Gresham, Oregon 97030
 (503) 618-3000

To Gresham for
Invoices and
Payments: The City of Gresham
 City Debt Management Analyst
 1333 N.W. Eastman Parkway

Gresham, Oregon 97030
(503) 618-3000

To Fairview: The City of Fairview
City Manager
1300 NE Village Street
Fairview, OR 97024

To Troutdale: The City of Troutdale
City Manager
219 E. Historic Columbia River Hwy.
Troutdale, OR 97060

To the Port for notices and communications: The Port of Portland
P.O. Box 3529
Portland, Oregon 97208
Attention: Director, Environmental Operations and Policy
(503) 415-6331

To the Port for invoices and payments: The Port of Portland
P.O. Box 5095
Portland, Oregon 97208-5095
(503) 415-6000

To the Districts Except SIDIC: Multnomah County Drainage District No. 1
Levee Ready Columbia Program Manager
1880 N.E. Elrod Drive
Portland, Oregon 97211
(503) 281-5675

To SIDIC: Sauvie Island Drainage Improvement Company
Executive Director
29264 NW Sauvie Island Rd
Portland, OR 97231

10. If any covenant or provision of this Agreement is adjudged void, such adjudication will not affect the validity, obligation, or performance of any other covenant or provision which in itself is valid if such remainder would then continue to conform with the terms and requirements of applicable law and the intent of this Agreement.

11. This Agreement constitutes the entire agreement between the Parties and supersedes any prior oral or written agreements or representations relating to the matters discussed herein.

No waiver, consent, modification, or change of terms of this Agreement will bind the Parties unless in writing and signed by each Party.

- 12. This Agreement is not intended, and may not be construed as intending, to establish a precedent for any future cost-sharing agreements among any of the Parties pertaining to the Columbia Corridor and Sauvie Island levees. A Party's contribution under this Agreement creates no expectation that the Party is responsible for the maintenance or repair of the Columbia Corridor and Sauvie Island levees.
- 13. This Agreement may be executed in counterparts. Delivery of this executed Agreement by facsimile or e-mail will be sufficient to form a binding agreement.
- 14. This Agreement will terminate at such time as MCDD expends the last of the Reimbursement Expenses funds on the services described in Section 1 of this Agreement. At such time, MCDD will send notice of termination to the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

MULTNOMAH COUNTY

Approved as to form:

By: _____

County Attorney

Title: _____

Date: _____

CITY OF PORTLAND

Approved as to form:

By: _____

Deputy City Attorney

Title: _____

Date: _____

CITY OF GRESHAM

Approved as to form:

By: _____

City Attorney

Title: _____

Date: _____

CITY OF FAIRVIEW

Approved as to form:

By: _____

Title: _____

Date: _____

City Attorney

CITY OF TROUTDALE

Approved as to form:

By: _____

Title: _____

Date: _____

City Attorney

PORT OF PORTLAND

Approved as to form:

By: _____

Title: _____

Date: _____

Assistant General Counsel

MULTNOMAH COUNTY DRAINAGE
DISTRICT NO. 1

By: _____

Title: _____

Date: _____

SANDY DRAINAGE IMPROVEMENT
COMPANY

By: _____

Title: _____

Date: _____

SAUVIE ISLAND DRAINAGE IMPROVEMENT
COMPANY

By: _____

Title: _____

Date: _____

Acknowledged by Metro as a party to two of the intergovernmental agreements that provide for payment of the IFA loans, as described in Recital G, above:

METRO

By: _____

Title: _____

Date: _____

Exhibit A Allocation Methodology

Exhibit A

ALLOCATION METHODOLOGY

The Allocation Methodology for the Phase II loan can be found as exhibit D in the Intergovernmental Agreement for Levee Analysis Cost-Sharing Phase II (MCDD and SDIC). The documentation below describes the allocation methodology for the Cash Expenses. The total Cash Expense totals \$441,051.

Step 1: Reduce total cash expenses by the Regional Partner contributions

Phase II cash expenses cover the costs of communications and stakeholder engagement, Oregon Solutions, project facilitation, and staffing. The State of Oregon Regional Solutions Office, via the Regional Solutions Support, and the Port of Portland each have agreed to contribute a fixed dollar amount of \$100,000 towards the cash expenses.

Cash Expenses	\$441,051
Regional Solutions Support	-\$100,000
Port of Portland	-\$100,000
Remaining Cash Expenses	\$241,051

Step 2: Determine the cash expense amounts for each drainage district by allocating the remaining costs as a percentage of the overall project size and cost. Project size was determined by the gross Infrastructure Finance Authority loan amount.

	PEN 1	PEN 2	MCDD	SDIC	SIDIC
Levee System Project Cost	\$672,617	\$727,383	\$2,855,451	\$712,261	\$382,800
% of Overall Project	13%	14%	53%	13%	7%
Levee System Amount	\$30,303	\$32,770	\$128,644	\$32,089	\$17,246

Step 3: Allocate obligation for each levee systems 50/50 between drainage districts (which assess owners of protected property) and “map-holder” jurisdictions

	PEN 1	PEN 2	MCDD	SDIC	SIDIC
Drainage Districts	\$15,151	\$16,385	\$64,322	\$16,044	\$8,623
Jurisdictions	\$15,151	\$16,385	\$64,322	\$16,044	\$8,623

Step 4: Allocate jurisdiction obligations using jurisdictional acreage protected by levee system

		Protected Acres (%)	Obligation
PEN 1			
Portland		986 (100%)	\$15,151
PEN 2			
Portland		1,612 (100%)	\$16,385
MCDD			
Portland		7,466 (86.9%)	\$55,899
Gresham		367 (4.3%)	\$2,748
Fairview		608 (7.1%)	\$4,552
Multnomah County		150 (1.7%)	\$1,123
		8,591 (100%)	\$64,322
SDIC			
Fairview		246 (15.9%)	\$2,546
Troutdale		1,297 (83.7%)	\$13,426
Multnomah County		7 (0.5%)	\$72
		1,550 (100%)	\$16,044
SIDIC			
Multnomah County		15,400 (100%)	\$8,623

Step 5: Aggregate jurisdiction obligations into list with drainage districts and Regional Partners*

Port of Portland	\$100,000
PEN 1	\$15,151
PEN 2	\$16,385
MCDD	\$64,322
SDIC	\$16,044
SIDIC	\$8,623
Portland (\$15,151 + \$16,385 + \$55,899)	\$87,435
Gresham	\$2,748
Fairview (\$4,552 + \$2,546)	\$7,098
Troutdale	\$13,426
Multnomah County (\$1,123 + \$72 + \$8,623)	\$9,818
	<u>\$341,050</u>

*There is a rounding error which results in a \$1.00 discrepancy.

INTERGOVERNMENTAL GRANT AGREEMENT No. RS1603

Title: Columbia River Levee Improvements

As authorized by ORS 190.110, this Grant Agreement (“Agreement”) is between the State of Oregon acting by and through its Oregon Business Development Department (“OBDD”) and Multnomah County (“County”). OBDD and County (each a “party” and together the “parties”) may be contacted at the address(es) or number(s) below:

OBDD Contact	County Contact
Project Contact: Lynn Schoessler	Project Contact: Mark Campbell
Title: Assistant Director	Title: Chief Financial Officer
Address: Business Oregon 775 Summer Street NE, Suite 200 Salem, OR 97301-1280	Address: Multnomah County 501 SE Hawthorne Blvd Suite 531 Portland, OR 97214
Phone: 503-986-0158	Phone: 503-988-6229
Email: lynn.schoessler@oregon.gov	Email: mark.campbell@multco.us

- 1. Effective Date and Duration.** This Agreement becomes effective on the date every party has signed it, and in the case of OBDD, OBDD has obtained the approval of the Oregon Department of Justice (“Effective Date”). Unless amended, terminated or extended, this Agreement expires when County’s completed performance has been accepted by OBDD or 30 Jun 2017, whichever occurs first.
- 2. Statement of Obligations.** OBDD and County agree to perform their respective obligations in accordance with the terms and conditions of this Agreement, and as more fully described in Exhibit A.
- 3. Consideration, Payment Terms.** OBDD will pay County \$300,000, to be disbursed to County following execution of this Agreement and in accord with the schedule and requirements in Exhibit A.
- 4. Subcontracts, Assignments.** County shall not assign or transfer any of its interest in this Agreement, without OBDD’s prior written consent. In addition to any other provisions OBDD may require, County will include in any subcontract or assignment a requirement that the subcontractor or assignee be bound by Sections 13 and 14. The existence of any subcontracts does not relieve County of any of its duties or obligations under this Agreement.
- 5. Amendments.** Unless otherwise expressly provided in this Agreement, the terms of this Agreement may only be extended or amended by written instrument signed by both parties.
- 6. Representations, Warranties.** County represents and warrants to OBDD that:
 - (a) County is an county, duly organized and validly existing under Oregon law. County has the power and authority to enter into and perform this Agreement.
 - (b) The making and performance by County of this Agreement (1) has been duly authorized by all necessary action of County, (2) does not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or other administrative agency or any provision of County’s charter or other organizational document and (3) does not and will not result in the breach of, or constitute a default of, or require any consent under, any other agreement or instrument to which County is party or by which

County may be bound or affected. No further authorization, consent, license, approval of, or filing or registration with or notification to any governmental body or regulatory or supervisory authority is required for the execution, delivery or performance by County of this Agreement.

(c) This Agreement has been duly executed and delivered by County and constitutes a legal, valid and binding obligation of County enforceable in accordance with its terms.

7. **Records Maintenance; Access.** County will maintain all fiscal records relating to this Agreement in accordance with generally accepted accounting principles. In addition, County will maintain any other records pertinent to this Agreement in such a manner as to clearly document County's performance. County acknowledges and agrees that OBDD and the Oregon Secretary of State's Office and their duly authorized representatives have access to such fiscal records and other books, documents, papers, plans and writings of County that are pertinent to this Agreement to perform examinations and audits and make excerpts, transcripts or copies. County will retain and keep accessible all such fiscal records, books, documents, papers, plans, and writings for a minimum of six (6) years, or such longer period as may be required by applicable law, following final payment and termination of this Agreement, or until the conclusion of any audit, controversy or litigation arising out of or related to this Agreement, whichever date is later.
8. **Termination.** This Agreement may be terminated immediately upon mutual written consent of both parties, or by OBDD 60 days after County receives written notice. All duties and obligations of both parties under this Agreement cease at that time except outstanding accounting and reporting obligations. Under any event of termination, County shall return, or cause the return of, any funds disbursed by OBDD which are not spent or obligated for the purpose of this Agreement, within 30 days of termination.
9. **County Defaults and OBDD Remedies.** County will be in default upon the occurrence of any of the following events:
 - (a) County fails to perform, observe or discharge any of its covenants, agreements or obligations under this Agreement other than as provided in subsections (b) and (c) below, and that failure continues for a period of 30 calendar days (or such longer period as OBDD may determine in writing if it determines County instituted and has diligently pursued corrective action) after written notice specifying such failure is given to County by OBDD.
 - (b) Any representation, warranty or statement made by County in this Agreement or in any documents or reports relied upon by OBDD to measure the delivery of services, the expenditure of funds or the performance by County is untrue in any material respect when made.
 - (c) County (1) applies for or consents to the appointment of, or taking of possession by, a receiver, custodian, trustee, or liquidator of itself or all of its property, (2) is adjudicated bankrupt or insolvent, or liquidated or dissolved.

In the event County is in breach, OBDD may, at its option, pursue any or all of the remedies available to it under this Agreement and at law or in equity, including, but not limited to: (a) immediate termination of this Agreement, notwithstanding Section 8, (b) requiring repayment of the grant and all interest earned by County on those grant funds, (c) reducing or withholding payment for obligations or duties that County failed to deliver within any scheduled completion dates or has performed inadequately or defectively, (d) initiation of an action or proceeding for damages, specific performance, or declaratory or injunctive relief, or (e) exercise of its right of recovery of overpayments under this Agreement or setoff, or both. These remedies are cumulative

to the extent the remedies are not inconsistent, and OBDD may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever.

- 10. OBDD Default and County Remedy.** County may terminate this Agreement upon 30 days' notice to OBDD if OBDD fails to pay County pursuant to the terms of this Agreement and OBDD fails to cure within 30 business days after receipt of County's notice, or such longer period of cure as County may specify in such notice. County's exclusive remedy for OBDD's default under this Agreement is limited to payment of any amount that remains unpaid and is due and owing under Section 3.
- 11. Funds Available and Authorized.** OBDD has sufficient funds currently available and authorized for expenditure to finance the costs of this Agreement within OBDD's biennial appropriation or limitation. Payment of funds by OBDD is contingent on OBDD receiving appropriations, limitations, allotments or other expenditure authority sufficient to allow OBDD, in the exercise of its reasonable administrative discretion, to continue to make payments in accordance with the terms of this Agreement, and notwithstanding anything in the Agreement, occurrence of such contingency does not constitute an event of default. Upon occurrence of such contingency, County must stop work immediately upon notice from OBDD.
- 12. Notices.** Except where otherwise expressly provided in this Agreement, any notices to be given hereunder shall be given in writing by personal delivery, mail (postage prepaid), or email at the address set forth on page 1 of this Agreement, or to such other addresses either party may hereafter indicate. Any notice so addressed and mailed will be deemed to be given five (5) days after mailing. Any notice by personal delivery shall be deemed to be given when actually delivered. Any such notice delivered by email will be effective on the day the transmitting machine generates a receipt of successful transmission, if transmission was during the normal business hours of the recipient, or on the next business day, if transmission was outside the normal business hours of the recipient. To be effective against a party, any such notice transmitted by email must be confirmed by telephone notice to that party.
- 13. Indemnification of OBDD.** To the extent authorized by law, County shall defend (subject to ORS chapter 180), indemnify, save and hold harmless OBDD and its officers, employees and agents from and against any and all claims, suits, actions, proceedings, losses, damages, liability, expenses of any nature whatsoever and court awards including costs, expenses, and attorneys' fees incurred related to any actual or alleged act or omission by County, or its officers, employees, agents or contractors; however, the provisions of this section are not to be construed as a waiver of any defense or limitation on damages provided for under Chapter 30 of the Oregon Revised Statutes or under the laws of the United States or other laws of the State of Oregon.
- 14. Disclaimer of Warranties; Limitation of Liability.** County agrees that:
 - (1) OBDD makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any authorized use of these grant funds, or any other warranty or representation.
 - (2) In no event are OBDD or its agents liable or responsible for any direct, indirect, incidental, special, consequential or punitive damages in connection with or arising out of this Agreement or the existence, furnishing, functioning or County's use of these grant funds.
- 15. Successors in Interest.** The provisions of this Agreement are binding upon and inure to the benefit of the parties, and their authorized successors and assigns.
- 16. Third-party Beneficiaries.** OBDD and County are the only parties to this Agreement and entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or may be construed to

give any direct or indirect benefit or right to third persons unless such third persons are individually identified by name and expressly described as intended beneficiaries of this Agreement.

- 17. Choice of Law; Designation of Forum; Federal Forum.** The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement. Any party bringing a legal action or proceeding against any other party arising out of or relating to this Agreement shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

Notwithstanding the paragraph above, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

- 18. Merger Clause.** This Agreement (including Exhibits that are by this reference incorporated herein) constitutes the entire agreement between the parties on the subject matter hereof. No waiver or consent regarding any of the terms of this Agreement will bind either party unless in writing and signed by the party against whom such waiver or consent is sought to be enforced. Such waiver or consent will be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. All parties, by the signature below of their authorized representatives, hereby acknowledge that they have read this Agreement, understand it and agree to be bound by its terms and conditions.
- 19. Severability.** The parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected, and the rights and obligations of the parties are to be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.
- 20. Survival.** All rights and obligations cease upon termination or expiration of this Agreement, except for such Sections that by their terms are meant to survive. Termination will not prejudice any rights or obligations accrued to the parties prior to termination.
- 21. Time of the Essence; Force Majeure.** Time is of the essence in the performance of each and every obligation and duty under this Agreement. Neither Party is responsible for any failure to perform or any delay in performance of any obligations under this Agreement caused by fire, civil unrest, labor unrest, natural causes, or war which is beyond that Party's reasonable control.
- 22. Neutral Construction.** This Agreement has been negotiated with each party having the opportunity to consult with legal counsel and will be construed without regard to which party drafted all or part of this Agreement.

23. **Counterparts.** This Agreement may be executed in several counterparts, all of which when taken together constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of the Agreement so executed constitutes an original.



STATE OF OREGON
acting by and through its Business
Development Department



MULTNOMAH COUNTY

By: _____
Lynn Schoessler, Assistant Director

By: _____
Deborah Kafoury, Chair, County Commission

Date: _____

Date: _____

APPROVED AS TO LEGAL SUFFICIENCY IN ACCORDANCE WITH ORS 291.047:

/s/ Lynn Nagasako as per email dated 18 September 2015
Lynn T. Nagasako, Sr. Assistant Attorney General

EXHIBIT A

Background, Purpose

The Oregon 2015 – 2017 Legislatively-Adopted Budget includes authorizations for Regional Solutions projects, including \$300,000 to be granted to County for activities necessary to address Federal Emergency Management Agency (FEMA) levee accreditation, the U.S. Army Corps of Engineers (USACE) Rehabilitation and Inspection Program (RIP), and the continuing safety of the levee systems along the Columbia Corridor, which encompasses 12,000 acres on the south shore of the Columbia River in the Portland, Oregon metropolitan area, and Sauvie Island. This project is needed to ensure the safety of the Portland region’s employment, commercial and housing base and transportation infrastructure of statewide significance. In light of the magnitude and breadth of the impact of the levee systems and the multitude of land ownership involved, engagement with a large representation of diverse community members is crucial to the success of the collaborative, cross-sector regional team that is addressing FEMA accreditation and USACE RIP.

Obligations, Reporting

Specific tasks include, but are not limited to:

- Engineering assessments (Phase I – III) to evaluate the condition of the levees, develop conceptual designs for potential repair alternatives, and prepare accreditation documentation
- Survey, cross-sections, and encroachment evaluations
- Interior drainage modeling reports
- Investigations to ensure RIP compliance
- Environmental, economic, and community asset inventories and a climate change study
- Risk assessment evaluations
- Stakeholder outreach and engagement to help increase community involvement, ensure jurisdictional stakeholders remain engaged in the process, and maximize the effectiveness of highly technical advisory committees
- Utilization of respected conveners, facilitators, and necessary staff support to ensure continued participation by the Districts, impacted jurisdictions, regional partners and other stakeholders

This work will be completed by a combination of consultants and staff through the Columbia Corridor Drainage Districts Joint Contracting Authority and Sauvie Island Drainage Improvement Company via separate intergovernmental agreements.

Estimated Total Project Cost: \$4,407,763

Estimated Timeline: July 2015 – December 2016

No later than 30 Jun 2017, County shall provide OBDD with a final project completion report on a form provided by OBDD. County shall provide additional details regarding the project when and as reasonably requested by OBDD.

Disbursement of Funds

OBDD shall periodically disburse funds to County for reimbursement of costs paid or for disbursement for approved costs incurred. The Recipient must submit each disbursement request on an OBDD-provided or OBDD-approved disbursement request form (“Disbursement Request”), must support each request with all relevant receipts or invoices, and may not submit such requests more often than monthly.

INTERGOVERNMENTAL AGREEMENT
Contract Number [Enter Contract Number]

This Intergovernmental Agreement (this "Agreement") is authorized by ORS 190.010 and is made and entered into as of _____ (the "Effective Date") by and among Multnomah County (the "County"), a home rule county of the State of Oregon; the City of Fairview ("Fairview"), an Oregon municipal corporation; the City of Troutdale ("Troutdale" and with Fairview, the "Cities"), an Oregon municipal corporation; and the Port of Portland (the "Port"), a port district of the state of Oregon (collectively, the "Parties," and each individually a "Party").

RECITALS

- A. The Parties, together with others, have entered into that certain Intergovernmental Agreement for Levee Analysis Cost-Sharing Phase II (the "IFA IGA") and that certain Intergovernmental Agreement for Cost-Sharing of Levee Ready Columbia Expenses Not Covered by IFA Loans (the "FY16 IGA"), which are attached as Exhibit A and Exhibit B, respectively, and pertain to the Levee Ready Columbia project, and are incorporated herein by reference.
- B. As set forth in further detail in Exhibits A and B to this Agreement, the Levee Ready Columbia project has been commenced to ensure continuing certification and accreditation of the Columbia River levee and drainage facilities operated by Multnomah County Drainage District No. 1, Peninsula No. 1 Drainage District, Peninsula No. 2 Drainage District, Sandy Drainage Improvement Company, and Sauvie Island Drainage Improvement Company (the "System").
- C. Properties located within a flood zone that is protected by a non-accredited levee system lose access to the lower flood insurance rates offered through FEMA's NFIP. Without adequate flood insurance, those properties cannot access loans issued by federal agencies (e.g., Federal Housing Administration and Small Business Administration) and loans backed by the federal government (e.g., Veterans Administration, Fannie Mae, and Freddie Mac).
- D. The parties to the agreements in Exhibits A and B to this Agreement have joined together to ensure the continuance of the required certification and accreditation by engaging in preliminary and limited agreements with respect to the sharing of workload and financial burden. As indicated by these agreements, the Levee Ready Columbia project has been proceeding in a collaborative manner and it behooves all parties to the project to further engage the Cities in the project to an extent that is fair and within their capacities.
- E. It is in the interest of County and its constituents, and the other parties to the project, for the County and the Port to further engage the Cities in the project by assisting the Cities in performing certain of their obligations under the agreements in Exhibits A and B to this Agreement in a manner commensurate with the Cities' capacities.

TERMS

The Parties agree as follows:

- 1. **CONDITION PRECEDENT.** No term of agreement herein is enforceable against any Party until after such time as the County receives a fully and duly-executed copy of the IFA IGA and the FY16 IGA. The condition precedent set forth in this paragraph may be referred to as the "Execution Contingency".
- 2. **RECITALS.** The Recitals to this Agreement are incorporated into and constitute a part of the terms of this Agreement.
- 3. **IFA IGA OBLIGATIONS.** Subject to the terms and conditions of this Agreement:

- a. With respect to that certain Principal Responsibility of Fairview set forth in the IFA IGA in the amount of \$123,908.00, County hereby assumes a portion of such Principal Responsibility in the amount of \$61,954.00 (the "Fairview IFA Amount") under the same terms assigned to Fairview under the IFA IGA for such Fairview IFA Amount.
 - b. With respect to that certain Principal Responsibility of Troutdale set forth in the IFA IGA in the amount of \$224,278.00, County hereby assumes a portion of such Principal Responsibility in the amount of \$112,139.00 (the "Troutdale IFA Amount") under the same terms assigned to Troutdale under the IFA IGA for such Troutdale IFA Amount.
4. **FY16 IGA OBLIGATIONS.** Subject to the terms and conditions of this Agreement:
- a. With respect to that certain Cash Expenses Responsibility of Fairview set forth in the FY16 IGA in the amount of \$7,098.00, County hereby assumes a portion of such Cash Expenses Responsibility in the amount of \$3,549.00 under the same terms assigned to Fairview under the FY16 IGA for such amount.
 - b. With respect to that certain Cash Expenses Responsibility of Fairview set forth in the FY16 IGA in the amount of \$7,098.00, Port hereby assumes that portion of such Cash Expenses Responsibility not assumed by the County in the amount of \$3,549.00 under the same terms assigned to Fairview under the FY16 IGA for such amount.
 - c. With respect to that certain Cash Expenses Responsibility of Troutdale set forth in the FY16 IGA in the amount of \$13,426.00, County hereby assumes a portion of such Cash Expenses Responsibility in the amount of \$6,713.00 under the same terms assigned to Troutdale under the FY16 IGA for such amount.
 - d. With respect to that certain Cash Expenses Responsibility of Troutdale set forth in the FY16 IGA in the amount of \$13,426.00, Port hereby assumes that portion of such Cash Expenses Responsibility not assumed by the County in the amount of \$6,713.00 under the same terms assigned to Troutdale under the FY16 IGA for such amount.
5. **EFFECTUATION.** No later than fifteen (15) days following the satisfaction of the Execution Contingency and the County's receipt of this Agreement signed by duly authorized representatives of the Parties hereto:
- a. County shall effectuate the partial relief set forth in Section 2 of this Agreement by treating the Fairview IFA Amount and the Troutdale IFA Amount as Prepayments received by the County from Fairview and Troutdale, respectively, under the IFA IGA as of the Effective Date or the date when the Execution Contingency has been satisfied, whichever is later.
 - b. County shall provide notice to Multnomah County Drainage District #1, pursuant to the FY16 IGA, of the assignment and assumption of the obligations set forth in Section 3 of this Agreement.
6. **EARLY TERMINATION.** In the event the Execution Contingency has not been satisfied within sixty (60) days of the Effective Date, County or Port may terminate this Agreement by providing thirty (30) days written notice to the Parties to this Agreement. Upon termination of this Agreement, the Parties shall have no further rights or obligations under this Agreement, provided that Section 6 shall survive termination of this Agreement.
7. **TERMINATION.** This Agreement may be terminated only by the County, only after (a) the Parties have paid the County their proportional shares of the principal and interest assigned to each of them in the IFA IGA; and (b) the Loan Portion set forth in the IFA IGA has been fully repaid.

8. **INDEMNIFICATION.** Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, each Party shall indemnify, defend and hold harmless the other Parties from and against all liability, loss and costs arising out of or resulting from the acts of such party, its officers, employees and agents in the performance of this Agreement.
9. **INSURANCE.** Each Party shall be responsible for providing worker's compensation insurance as required by law. No Party shall be required to provide or show proof to any other Party of any other insurance coverage.
10. **ADHERENCE TO LAW.** Each Party shall comply with all federal, state and local laws and ordinances applicable to this Agreement. The laws of the State of Oregon will govern this Agreement and the Parties will submit to the jurisdiction of the courts of the State of Oregon.
11. **NON-DISCRIMINATION.** Each party shall comply with all requirements of federal and state civil prights and rehabilitation statutes and local non-discrimination ordinances.
12. **SUBCONTRACTS AND ASSIGNMENT.** NO Party will subcontract or assign any part of this Agreement without the prior written consent of all other Parties to this Agreement.
13. **MERGER.** This Agreement constitutes the entire agreement between the Parties and supersedes any prior oral or written agreements or representations relating to the matters discussed herein. No waiver, consent, modification, or change of terms of this Agreement will bind the Parties unless in writing and signed by each Party.
14. **AMENDMENT.** This Agreement may be amended at any time upon the written consent of all Parties.

[The remainder of this page is left intentionally blank.]

15. **NOTICES.** Any notice provided for under this Agreement shall be in writing and deemed delivered five days after mailing, postage prepaid and properly addressed to the party to be notified. Unless a party changes its address by giving notice to the other party as provided herein, notices shall be addressed as follows

If to Fairview:
City of Fairview
1300 NE Village Street
Fairview, OR 97024
Attn: City Manager

If to Troutdale:
City of Troutdale
219 E. Historic Columbia River Hwy.
Troutdale, OR 97060
Attn: City Manager

If to Port:
The Port of Portland
P.O. Box 3529
Portland, OR 97208
Attn: Director, Environmental
Operations and Policy

If to County:
Multnomah County
501 SE Hawthorne Blvd., Suite 531
Portland, OR 97214
Attn: Economic Development Director

CITY OF FAIRVIEW, OREGON:

Signature: _____
Print Name: _____
Title: _____
Date: _____
Approved as to form by: _____
Date: _____

CITY OF TROUTDALE, OREGON:

Signature: _____
Print Name: _____
Title: _____
Date: _____
Approved as to form by: _____
Date: _____

THE PORT OF PORTLAND:

Signature: _____
Print Name: _____
Title: _____
Date: _____
Approved as to form by: _____
Date: _____

MULTNOMAH COUNTY, OREGON:

Signature: _____
Print Name: _____
Title: _____
Date: _____
Approved as to form by: _____
Date: _____

Exhibit A

Intergovernmental Agreement
for
Levee Analysis Cost-Sharing
Phase II

Exhibit B

Intergovernmental Agreement
for
Cost-Sharing of Levee Ready Columbia Expenses
Not Covered by IFA Loans