

INTERGOVERNMENTAL AGREEMENT

Contract Number _____

This is an Agreement between the Portland Development Commission (PDC) and Multnomah County (County).

PURPOSE:

The purpose of this agreement is to transfer County funds to PDC in support of the Inclusive Startup Fund and establish the terms under which those funds will be employed.

The parties agree as follows:

1. **TERM.** The term of this agreement shall be from the date executed to a date that is ten (10) years from the date that funds are distributed from the Portland Economic Investment Corporation (PEIC) to the Inclusive Startup Fund.
2. **RESPONSIBILITIES OF PDC.** PDC agrees to enter into a grant agreement (PEIC Grant) with PEIC in accord with Exhibit A. PDC shall accept funds from the County and manage and disburse those funds in accord with the PEIC Grant.
3. **RESPONSIBILITIES OF COUNTY.** The County agrees to pay PDC the amount of Five Hundred Thousand Dollars (\$500,000) within thirty (30) days of execution of this instrument.
4. **MODIFICATION.** Neither party may terminate or otherwise modify this agreement without the written consent of the other party. PDC shall not amend the grant agreement in Exhibit A of this agreement, nor waive or fail to exercise any of PDC's rights under the grant agreement, nor provide any approval or consent to the Portland Economic Investment Corporation under the grant agreement without first obtaining the County's written consent or approval.
5. **INDEMNIFICATION.** Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, County shall indemnify, defend and hold harmless PDC from and against all liability, loss and costs arising out of or resulting from the acts of County, its officers, employees and agents in the performance of this agreement. Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300 PDC shall indemnify, defend and hold harmless County from and against all liability, loss and costs arising out of or resulting from the acts of PDC, its officers, employees and agents in the performance of this agreement.
6. **INSURANCE.** Each party shall be responsible for providing worker's compensation insurance as required by law. Neither party shall be required to provide or show proof of any other insurance coverage.
7. **ADHERENCE TO LAW.** Each party shall comply with all federal, state and local laws and ordinances applicable to this agreement.

8. **NON-DISCRIMINATION.** Each party shall comply with all requirements of federal and state civil rights and rehabilitation statutes and local non-discrimination ordinances.
9. **ACCESS TO RECORDS.** Each party shall have access to the books, documents and other records of the other which are related to this agreement for the purpose of examination, copying and audit, unless otherwise limited by law.
10. **SUBCONTRACTS AND ASSIGNMENT.** Except as outlined in the PEIC Grant, neither party will subcontract or assign any part of this agreement without the written consent of the other party.
11. **THIS IS THE ENTIRE AGREEMENT.** This Agreement constitutes the entire Agreement between the parties. This Agreement may be modified or amended only by the written agreement of the parties.

MULTNOMAH COUNTY, OREGON:

County Chair or Designee: _____

Date: _____

Dept Director or Designee: _____

Date: _____

JENNY M. MADKOUR,
COUNTY ATTORNEY FOR MULTNOMAH COUNTY

By
Assistant County Attorney _____

Date: _____

PORTLAND DEVELOPMENT COMMISSION:

Signature: 

Print Name: PATRICK QUINTON

Title: EXECUTIVE DIRECTOR

Date: May 24, 2016

Approved as to form
by: 

Date: 5/24/16

**GRANT AGREEMENT
INCLUSIVE STARTUP FUND**

**PORTLAND DEVELOPMENT COMMISSION
TO
PORTLAND ECONOMIC INVESTMENT CORPORATION**

This **GRANT AGREEMENT** (“**Grant Agreement**”) dated as of May 4, 2016, is entered into by and between **PORTLAND ECONOMIC INVESTMENT CORPORATION**, an Oregon nonprofit corporation (“**PEIC**” or “**Grantee**”), and the **PORTLAND DEVELOPMENT COMMISSION**, the economic development authority for the City of Portland (“**PDC**” or “**Grantor**”).

RECITALS

A. PDC, in cooperation with the State of Oregon and Multnomah County (together the three are the “**Public Partners**”), intends to help launch and fund an Inclusive Startup Fund (the “**ISF**”).

B. The purpose of the ISF will be to leverage private capital to invest in high-growth startup firms that are founded or managed by persons that are otherwise under-represented in the startup community (“under-represented” shall include by ethnicity, gender or other category). The ISF has a 10-year investment period.

C. The Public Partners shall rely upon PEIC to receive grants in order to make investments in a fund managed by a fund manager and to make, or cause to be made, reports on the performance of the ISF to the Public Partners.

D. PEIC shall, through that certain Grantor Trust II Agreement (the “**Trust**”) under which PEIC is Trustor and Columbia Trust Company is Trustee, enter into a subscription and other supporting agreements (the “**Investment Agreements**”) that provide for an investment of funds (both public and private matching) in, and the assignment of Convertible Notes (as defined herein) to, Elevate Inclusive Fund, LLC, an Oregon limited liability company (“**Elevate**”), to be managed by fund manager Elevate Management, LLC (“**Manager**”).

E. The distribution of funds from the ISF to PEIC shall be used by PEIC to further support economic development in the City of Portland and further support under-represented populations that are the focus of the ISF.

F. Grantor and Grantee also desire for Grantor to provide financial assistance to cover certain initial organizational and administrative costs of Grantee.

NOW THEREFORE, the parties agree as follows:

**ARTICLE 1
GRANT GENERALLY**

Section 1.1 **Grant.** On the terms and conditions of this Grant Agreement, Grantor agrees to make a grant to Grantee in an amount of ONE MILLION DOLLARS (\$1,000,000) for the purpose of funding Grantee

so that Grantee may invest, through the Trust, in the ISF (the “**ISF Grant**”). In addition, the ISF Grant shall also include the assignment of up to six (6) convertible notes (the “**Convertible Notes**”).

Section 1.2 **Administrative Grant for Organizational and Administrative Costs.** Grantor agrees to make a complementary grant to Grantee in an amount of FIFTY THOUSAND DOLLARS (\$50,000) to fund Grantee’s efforts to administer the ISF (the “**Administrative Grant**”).

Section 1.3 **Disbursement of ISF Grant.** Provided that (a) no Event of Default (as defined below) or event that, with notice or lapse of time or both, would constitute an Event of Default has occurred, and (b) the conditions set forth in Section 3.7 (as applicable to such disbursement) are satisfied, Grantor shall disburse the ISF Grant (or the applicable portion thereof) to Grantee within fifteen (15) days after receipt by Grantor of an invoice therefor. Grantee shall immediately deposit or direct the ISF Grant funds into a separate trust account approved by PDC (the “**Investment Account**”). Grantor may make the disbursement of the ISF Grant in two \$500,000 increments in the case that funds anticipated from Multnomah County have not yet been received by PDC. PDC shall assign the Convertible Notes to Grantee at the time of the first ISF Grant disbursement.

Section 1.4 **Disbursement of Administrative Grant Proceeds.** Provided that no Event of Default has occurred, Grantor shall disburse the Administrative Grant proceeds to Grantee in a single lump sum promptly after Grantor’s receipt of an invoice therefor from Grantee. The Administrative Grant proceeds may only be used for the following reasonable expenses associated with the ISF Grant and returns therefrom: accounting services, legal services, project management costs, bank and trust fees and charges, insurance, administrative services and supplies.

ARTICLE 2

GRANTEE'S REPRESENTATIONS AND WARRANTIES

Grantee represents and warrants to Grantor as follows:

Section 2.1 **Existence and Power; Authority.** Grantee is a nonprofit corporation duly organized and validly existing under the laws of the State of Oregon. Grantee has full power, authority, and legal right to execute and deliver this Grant Agreement and any other related documents and to incur and perform its obligations hereunder and thereunder. The execution and performance by Grantee of this Grant Agreement and any other related documents have been duly authorized by all necessary action of Grantee. This Grant Agreement and any other related documents have been duly executed by Grantee and will constitute legal, valid and binding obligations of Grantee, enforceable in accordance with their terms subject to the laws of bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors’ rights generally.

Section 2.2 **No Violations or Event of Default.** Grantee is not in default under or in violation of any agreement to which it is a party or by which it is bound, or any order, regulation, ruling, or requirement of a court or other public body or authority.

Section 2.3 **Litigation.** No action, suit, or proceeding (and to Grantee’s knowledge, no investigation) is pending against Grantee or with respect to any matter before any court or administrative agency, (a) the outcome of which, by itself or taken together with other such litigation, would be reasonably expected to have a material adverse effect on the business, assets, operations, or financial condition of Grantee or the power of Grantee to carry out the purposes of this Grant Agreement or (b) which purports to affect the legality, enforceability, or validity of this Grant Agreement or any other related document.

Section 2.4 **Compliance with Laws.** Grantee is in material compliance with all federal, state and local laws, rules, regulations, ordinances and orders applicable to it.

ARTICLE 3 INVESTMENT IN AND OPERATION OF THE INCLUSIVE STARTUP FUND

Section 3.1 Generation of Public Funds

3.1.1 Grantor anticipates the receipt of \$500,000 in funds from Multnomah County for the purpose of investing in the ISF. PDC intends to contribute \$500,000 for the purpose of investing in the ISF. Together, the sum of \$1,000,000 shall be the “**Local Funds**”.

3.1.2 Grantor anticipates a direct grant from the State of Oregon to Grantee in the amount of \$250,000 for the purpose of investing in the ISF (“**State Funds**”).

3.1.3 Together the Local Funds and the State Funds shall sum to \$1,250,000 and together shall constitute the “**Public Funds**”.

Section 3.2 **Convertible Notes.** Grantor holds up to six (6) Convertible Notes with a face value of \$25,000 each. Each note is potentially convertible to equity upon certain conditions.

Section 3.3 **The ISF Investment.** The “**ISF Investment**” shall consist of the Public Funds and all or a portion of (as applicable) the Convertible Notes.

Section 3.4 **Private Match.** The ISF is intended to attract and leverage private capital. Elevate shall be obligated to use best efforts to raise private capital to complement the ISF Investment (“**Private Match**”).

Section 3.5 **Inclusive Startup Fund.** The funding of the ISF shall consist of the ISF Investment released to Elevate and the Private Match raised by Elevate, the holdings from time to time of investments made by the ISF, and returns to the ISF resulting from investments that are not yet distributed to Grantee or other investors in the ISF.

Section 3.6 Grantee’s Management and Use of the ISF Investment

3.6.1 Grantee shall hold all ISF Investment received from Grantor and from the State of Oregon in an interest bearing trust account.

3.6.2 Prior to Grantee’s release of any Public Funds or the Convertible Notes to Elevate, Grantee shall provide PDC access to the Investment Agreements for the purpose of confirming that the provisions of this Grant applicable to Elevate are adequately reflected in such documents.

Section 3.7 Process and Conditions Precedent to Release of ISF Investment to Elevate

3.7.1 Grantee may authorize its trust account to release \$250,000 in Public Funds to Elevate on or about March 31, 2016 if: (1) PDC has reviewed the Investment Agreements per Section 3.6.2; (2) Grantee has executed a Subscription Agreement with Elevate; and (3) Elevate

has communicated in writing to Grantee and Grantor the total amount of private funds raised to date to Grantee and Grantor.

3.7.2 Grantee may authorize the assignment of the Convertible Notes to Elevate on or about March 31, 2016.

3.7.3 Grantee shall authorize the release of \$1,000,000 in Public Funds to Elevate on or about March 31, 2017 if:

- (a) Elevate provides detailed written evidence to the Public Partners of Elevate's best efforts to attain the under-represented founder goals set forth under Section 3.8 below and after review of such evidence the Public Partners agree in writing to further release of the Public Funds;
- (b) Elevate is in full compliance with the Investment Agreements and
- (c) Elevate has either:
 - (i) raised an aggregate amount of \$1,750,000 in Private Match dedicated to the ISF or
 - (ii) Elevate has raised less than \$1,750,000 in Private Match and provided the Public Partners detailed written evidence of Elevate's best efforts to raise Private Match and after review of such evidence the Public Partners agree in writing to further release of the Public Funds.

Section 3.8 Parameters of the ISF Applicable to Elevate. Grantee shall contractually obligate Manager to manage the Elevate in accord with the "EC-ISF Operating and Management Terms" attached hereto as Exhibit A and the following parameters:

- (a) As a matter of clarification with regard to the EC-ISF Operating and Management Terms, each startup company must have one under-represented founder and, of all founders associated with the ISF portfolio, the goal shall be:
 - (i) 40% Black/Latino/a/Hispanic;
 - (ii) 40% Women; and
 - (iii) 20% other under-represented groups including Native American, ability/disability, veteran, etc.
- (b) "Founder" shall include a founding member of the company or an executive manager with not less than a 10% equity interest or not less than a 10% future equity interest under a vesting schedule;
- (c) Not less than \$1,000,000 of the ISF shall be directed to businesses headquartered in Multnomah County;
- (d) If Elevate offers more favorable terms to a private match investor than are established in the Subscription Agreement or other Investment Agreements, then Elevate shall offer the same terms to Grantee with regard to all Public Funds;

- (e) The Manager will select, on average, six (6) startups per year during the Investment Period to receive a seed stage investment and participate in Elevate Launchpad, the seed stage investment program of the ISF, which will include a boot camp to prepare entrepreneurs for investment as well as a six (6) month mentoring program; and
- (f) Grantee shall notify Grantor of any amendments to the Investment Agreements prior to execution of any such amendments.

Section 3.9 Parameters of Manager Compensation. As a condition to the release of the ISF Investment, Grantor shall review and approve the Investment Agreements to confirm that Manager has been permitted to earn compensation generally in accord with industry standards.

Section 3.10 Pro Rata Release and Recovery. The release of Public Funds by Grantee to Elevate shall be deemed a release that is pro rata to the contributions made by the Public Partners, i.e., 2 (County): 2 (PDC): 1 (State). The return of any Public Funds to the Public Partners shall also be pro rata to the contributions made by the Public Partners.

Section 3.11 Use by Grantee of ISF Distributions. At the conclusion of the ISF, Grantee may use the ISF distributions to further support economic development in the Portland area. Use of the ISF distributions shall continue to be focused on supporting under-represented populations identified in the EC-ISF Operating and Management Terms and Section 3.8 above, four-fifths of which support is provided within Multnomah County (and at least half of such four-fifths within the City of Portland). The ISF distributions may not be used by Grantee to cover Grantee's administrative costs.

Section 3.12 Licenses; Maintenance of Business. Grantee will remain a nonprofit corporation validly existing under the laws of Oregon and will keep in force all licenses and permits necessary to the proper conduct of its business, the performance of its obligations under this Grant Agreement, and the administration of the accounts consistent with the terms of this Grant Agreement.

Section 3.13 Compliance with Laws. Grantee will comply with all laws, ordinances, statutes, rules, regulations, orders, injunctions, or decrees of any government agency or instrumentality having jurisdiction over Grantee.

Section 3.14 Other Obligations. Grantee will pay and discharge before the same shall become delinquent all indebtedness, taxes, and other obligations for which it is liable or to which its income or property is subject and all claims for labor and materials or supplies except any thereof whose validity or amount is being contested in good faith by Grantee in appropriate proceedings with adequate provision having been made in accordance with generally accepted accounting principles for the payment thereof if the contest is determined adversely to Grantee.

Section 3.15 Indemnity. Grantee shall indemnify and hold Grantor, its officers, employees and agents harmless from and against any and all liabilities, claims, losses, damages, or expenses (including attorney fees and expenses) which any of them may suffer or incur in connection with the actions or inactions of Grantee, or its employees, agents or contractors, related to the ISF Investment or the transactions contemplated by this Agreement, other than claims, losses, damages, or expenses that arise solely from the gross negligence or willful misconduct of Grantor. Managers of any fund in which Grantee invests ISF Investment shall not be considered employees, agents or contractors of Grantee. Grantee's obligations under this Section shall survive termination of this Agreement.

Section 3.16 Records and Inspection. Grantee shall keep proper books of account and records on all activities associated with this ISF Grant the Administrative Grant and use of ISF distributions. Grantee will maintain these books of account and records in accordance with generally accepted accounting principles and shall retain the books of account and records until March 31, 2024 or the later date that all disputes, if any, arising under this Grant Agreement have been resolved. Grantee will permit Grantor and/or its duly authorized representatives to inspect, review and make excerpts and transcripts of its books of account and records with respect to the receipt and disbursement of funds received from Grantor. Access to these records is not limited to the required retention period. The authorized representatives shall have access to records at any reasonable time for as long as the records are maintained.

Section 3.17 Reporting Requirements.

3.17.1 Commencing with a first report on August 31, 2016 and semi-annually thereafter, Grantee shall provide, or cause to be provided by ISF, to Grantor a written report on the performance of the ISF. The contents of the written report shall include:

- (a) Number of businesses receiving funds from the ISF and amount of funds each business received;
- (b) Location of funded businesses;
- (c) Industry of businesses;
- (d) Evidence that business meets the underrepresented standards set forth in Section 3.8 above;
- (e) Diversity of each startup's management team;
- (f) Jobs created since initial ISF program investments (FTE and LTE);
- (g) Number of successful exits;
- (h) ISF investment returns including proceeds from exits and repays and realized gain and loss;
- (i) Additional capital raised by participant businesses; and
- (j) High level summary of each portfolio company's operating performance.

3.17.2 Grantee shall also use good faith efforts to cause the manager of the ISF to give an oral report at least annually on the operation of the ISF, including data on the metrics identified in Section 3.17.1 above and other information as reasonably requested by Grantor or any one of the Public Partners, to the PDC and Multnomah County. Grantee shall also use its good faith efforts to cause a representative of Elevate to attend and support the oral report.

3.17.3 Except as required by the Oregon Public Records Law or other applicable law, or pursuant to a subpoena, or court or other governmental order, Grantor shall not publicly disclose confidential or proprietary information provided to Grantor as part of the reports required under this Section 3.17, if such information is so identified in the reports.

3.17.4 In order to recognize the contributions of Grantor to the ISF the parties agree to work cooperatively on a joint or coordinated announcement suitable for publication at an appropriate time based on implementation of this Grant Agreement.

3.17.5 At the conclusion of the 10-year ISF investment period, Grantee shall obtain from Elevate a comprehensive written report on the overall performance of the ISF, the performance of individual startup companies included in the portfolio, challenges encountered, any innovative measures employed that increased the success of any of the startup firms, measures

employed that Elevate found were unsuccessful and suggestions as to how any successor program might be improved.

Section 3.18 **Unexpended Grant Proceeds.** Any Local Funds and interest thereupon or Convertible Notes not disbursed or assigned to Elevate by June 15, 2017, shall be immediately returned to Grantor, unless otherwise directed by Grantor.

ARTICLE 4 EVENTS OF DEFAULT

Any of the following shall constitute an Event of Default under this Grant Agreement:

Section 4.1 **Failure to Pay General Debts When Due.** Grantee (i) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of all or a substantial part of its property, (ii) admits in writing its inability to pay, or generally is not paying, its debts as they become due, (iii) makes a general assignment for the benefit of creditors, (iv) commences a voluntary action under the United States Bankruptcy Code (as now or hereafter in effect), (v) is adjudicated a bankrupt or insolvent; (vi) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts, (vii) fails to controvert in a timely or appropriate manner, or acquiesces or consents in writing to, any petition filed against it, in an involuntary action under the United States Bankruptcy Code (as now or hereafter in effect), or (viii) takes any action for the purpose of effecting any of the foregoing.

A proceeding or case is commenced against Grantee, without its consent, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, dissolution, windup, or composition or readjustment of the debts of Grantee, (ii) a receiver, trustee, custodian, liquidator, or the like is appointed for Grantee or for all or a substantial part of its assets, or (iii) relief is granted to Grantee under any law relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts, and such proceeding or case continues undismissed, or (iv) an order, judgment, or decree approving or ordering any of the foregoing is entered and continues unstayed and in effect for any period of 60 days, or an order for relief against Grantee is entered in an involuntary case under the United States Bankruptcy Code (as now or hereafter in effect).

Section 4.2 **Failure to Disclose Material Facts.** Grantee fails to disclose any fact material to the making of the Grant, or a disbursement, to Grantee, or upon discovery by Grantor of any misrepresentation by, on behalf of, or for the benefit of, Grantee.

Section 4.3 **Failure to Comply with Other Obligations.** Grantee fails to observe, perform, discharge or comply with any other covenant, agreement or obligation imposed on Grantee by this Grant Agreement and such failure remains uncured 30 days after written notice thereof to Grantee.

ARTICLE 5 RIGHTS AND REMEDIES UPON EVENT OF DEFAULT

Upon the occurrence of an Event of Default and at any time thereafter, Grantor may, at its option, exercise any one or more of the following rights and remedies:

Section 5.1 **Repayment of Grant Proceeds.** Grantor may demand the immediate repayment of the entire original Grant amount (or so much thereof as has been disbursed to Grantee and not yet invested in ISF)

and other charges payable by Grantee pursuant to this Grant Agreement, and, upon such demand, Grantee shall pay to Grantor the amount demanded to be immediately repaid.

Section 5.2 Termination of Funding Obligation. Grantor may, by and effective upon written notice to Grantee, terminate Grantor's obligation to disburse additional Grant proceeds to Grantee.

Section 5.3 No Election Required. Grantor shall have any other right or remedy provided in this Grant Agreement or any other instrument delivered by Grantee in connection therewith, or available at law, in equity, or otherwise in such order and manner as it may select.

Section 5.4 Rights and Remedies Cumulative. All rights and remedies described in this Article 5 are cumulative and in addition to any other remedy Grantor may have by agreement, at law, or in equity. Partial exercise of any right or remedy shall not limit or restrict Grantor's subsequent exercise of such right or remedy nor shall it restrict Grantor's contemporaneous or subsequent exercise of any other right or remedy.

Section 5.5 No Waiver. No failure on the part of Grantor to exercise, and no delay in exercising, any right, power, or privilege under this Grant Agreement shall operate as a waiver of that right or any other right. No modification or waiver of any provision of this Grant Agreement shall be effective unless in writing, and then only in specific instance and for the purpose given. No notice or demand on Grantee shall entitle Grantee to any other notice or demand in other similar circumstances.

Section 5.6 Payment of Costs of Collection. In case of an Event of Default, or in case litigation is commenced to enforce or construe any term of this Grant Agreement, the losing party will pay to the prevailing party such amounts as shall be sufficient to cover the cost and expense of collection or enforcement, including, without limitation, reasonable attorney fees and costs prior to and at any arbitration proceeding or at trial, on appeal, or in any bankruptcy proceeding.

ARTICLE 6 GENERAL TERMS AND CONDITIONS

Section 6.1 Counterparts. This Grant Agreement may be executed in any number of counterparts, and any single counterpart or set of counterparts signed, in either case, by all the parties hereto shall constitute a full and original instrument, but all of which shall together constitute one and the same instrument.

Section 6.2 Survival. All agreements, representations, and warranties shall survive the execution and delivery of this Grant Agreement, any investigation at any time made by Grantor or on its behalf and the making of the Grant.

Section 6.3 Notice. Any notice required or permitted under this Grant Agreement shall be in writing and shall be deemed effective (1) when actually delivered in person, (2) one business day after deposit with a commercial courier service for "next day" delivery, (3) two business days after having been deposited in the United States mail as certified or registered mail, or (4) when transmitted by facsimile (answer back or receipt confirmed), addressed to the parties as follows:

If to Grantee:	Portland Economic Investment Corporation Attn: Jeffrey C. Wolfstone 601 SW Second Avenue, Suite 2100 Portland, OR 97204
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Telephone: (503) 778-2153
Facsimile: (503) 778-2200

If to Grantor: Portland Development Commission
Attn: Katherine Krajnak
222 NW Fifth Avenue
Portland, OR 97209
Telephone: (503) 823-0013
Facsimile: (503) 823-3368

with a copy to: General Counsel
Portland Development Commission
222 NW Fifth Avenue
Portland, OR 97209
Telephone: (503) 823-3200

Section 6.4 **Successors and Assigns.** Grantee may not assign this Grant Agreement, in whole or in part, without the prior written consent of Grantor. This Grant Agreement shall be binding upon and shall inure to the benefit of the parties and their respective permitted successors and assigns.

Section 6.5 **Governing Law, Jurisdiction, Venue.** This Grant Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. Any legal action regarding this Grant Agreement must be brought and conducted in the federal or state court, as appropriate, serving Multnomah County, Oregon, and the parties hereby consent to the jurisdiction and venue of such courts.

Section 6.6 **Modification; Prior Agreements; Headings.** This Grant Agreement may not be modified or amended except by an instrument in writing signed by Grantee and Grantor. This Grant Agreement reflects and sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof, and supersedes all prior agreements and understandings relating to such subject matter. The headings in this Grant Agreement are for the purpose of reference only and shall not limit or otherwise affect any of the terms hereof.

Section 6.7 **Validity; Severability.** If any provision of this Grant Agreement is held to be invalid, such event shall not affect, in any respect whatsoever, the validity of the remainder of this Grant Agreement, and the remainder shall be construed without the invalid provision so as to carry out the intent of the parties to the extent possible without the invalid provision.

Section 6.8 **Time of Essence.** Time is of the essence of this Grant Agreement.

Section 6.9 **Relationship of the Parties.** Nothing contained in this Grant Agreement or any acts of the parties hereto shall be deemed or construed to create the relationship of principal and agent, or of partnership, or of joint venture or of any other association other than that of independent contracting parties.

Section 6.10 **No Third Party Beneficiary Rights.** No person not a party to this Grant Agreement is an intended beneficiary of this Agreement, and no person not a party to this Grant Agreement shall have any right to enforce any term of this Grant Agreement.

Section 6.11 **Termination.** Grantor may, upon thirty (30) days written notice to Grantee, terminate this Agreement. Upon termination of this Agreement, Grantor shall have no further obligation to

disburse Grant proceeds to Grantee except, in accordance with and subject to the limitations of Article I, to cover expenditures or commitments made prior to the termination that are a permissible use of the Grant proceeds hereunder. Sections 3.8 and 3.17, Article 4 and Grantor's rights and remedies arising from an Event of Default that occurs prior to termination, shall survive termination of this Agreement.

Section 6.12 Audits. Grantor, either directly or through a designated representative, may conduct financial and performance audits of the use of Grant proceeds. If an audit finds that payments to Grantee were in excess of the amount to which Grantee was entitled, then Grantee shall repay that amount to Grantor. In the event of such audit, Grantee agrees to provide the designated auditor with reasonable access to Grantee's employees and make all such financial, performance and compliance records available to the auditor. This Section 6.12 shall survive any termination of this Grant Agreement.

Section 6.13 Verification. This agreement is conditioned upon PDC's satisfaction that the Investment Agreements reflect the provisions of Sections 3.8 and 3.9 above.

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IN WITNESS WHEREOF, the parties hereto have caused this Grant Agreement to be executed by their duly authorized representatives as of the date first above written.

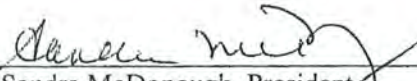
GRANTOR:

CITY OF PORTLAND, a municipal corporation of the State of Oregon, acting by and through the **PORTLAND DEVELOPMENT COMMISSION**

By: 
Patrick Quinton, Executive Director

GRANTEE:

PORTLAND ECONOMIC INVESTMENT CORPORATION, an Oregon corporation

By: 
Sandra McDonough, President

APPROVED AS TO FORM:


Portland Development Commission
Legal Counsel

EXHIBIT A

EXHIBIT A

EC-ISF OPERATING AND MANAGEMENT TERMS

(see attached)

EC-ISF OPERATING AND MANAGEMENT TERMS

Through a multi-step process, the Grant funds will be invested in Elevate Inclusive Fund, LLC (“Fund” or “ISF”) that will be operated and managed by Elevate Management LLC (“Fund Manager”). Expectations and the approach and strategy for the Fund are summarized below:

Fund Expectations	Approved Approach/Strategy
Maintain a diverse Fund management team with cultural, race/ethnicity and gender balance consistent with the target populations it is seeking to invest in and mentor.	Demographic breakdown of current team includes: 1 Asian male, 1 White female, and 2 mixed ethnicity (Caucasian & Latino; Black & Latino) males.
<p>Maintain at least two (2) team members that have:</p> <ol style="list-style-type: none"> 1. Measurable experience investing in early stage companies; 2. A track record in evaluating investment opportunities and performing due diligence on early stage companies; 3. Proven knowledge of the local entrepreneurial ecosystem, particularly entrepreneurs from underrepresented communities; and 4. Experience organizing mentorship, professional networking and other support programs. 	<p>Nitin Rai: General and Managing Partner of Manager; experienced investor and startup mentor; up to 30% time.</p> <p>Stephen Green: Community Manager, Underserved Community Relations, of Manager; experienced lender and mentor to startups with diverse founders; ~90% time.</p> <p>Robin Jones Maloney: Venture Investment Advisor of Manager; experienced investor, startup executive and mentor; Limited time.</p> <p>Eric Boothe: Venture Associate of Manager; experience investing in startups and performing due-diligence; ~30% time.</p>
Leverage initial investment of \$1.25 Million from public-sector partners (PDC, County and State) and target a Fund close of \$3 Million.	<p>The Fund may co-invest in certain companies with the larger ~\$10 Million Elevate Capital Fund, LLC, a Delaware limited liability company of which the Manager also serves as manager.</p> <p>The Fund will target an initial close of \$500,000 (\$250K from Portland Economic Investment Corporation (“PEIC”) + \$250K private investment) by March 31, 2016. EC-ISF will be provided another twelve (12) months from date of first close (March 31, 2017) to complete a final close of \$3 Million. The team will target local and national philanthropic, institutional, and private investors. PDC commits to leverage its relationship with local and national funders to assist with fundraising.</p>
The Fund will be structured to assume industry standard Management Fees and Carried Interest.	<p>In years 1-5, the Fund will seek \$500K (\$100K a year) in management fees (assuming a \$3M close). This fee equals 3.3% per year on average. The maximum aggregate management fee in years 1-5 will not exceed \$500,000. In years 6-10, the Fund will draw an annual management fee, ranging from 0.75% down to 0.25%, to cover expenses to</p>

	<p>maintain the Fund, including legal, financial and other costs.</p> <p>20 percent Carried Interest on profit will be shared by Nitin Rai with the remaining the Fund Management Team members. Target allocation: up to 7.5% to Stephen Green, 0.5% to 1.0% to Robin Jones Maloney, 1.0% to 2.0% to Eric Boothe.</p> <p>Nitin Rai reserves the right to allocate the Fund's 20 percent carried interest among the Fund Management Team.</p>
Public Partners (PDC, County and State) will grant a minimum of \$50,000 to help with the establishment and initial operations of the EC-ISF.	PDC will grant EC-ISF \$50,000 to help with the establishment and initial operations (the Operating Grant).
EC-ISF will be flexibly structured to make equity and non-equity investments to startups, from across industries, at an early stage of development.	<p>Target investments between \$25,000 and \$75,000 to startups from across industry (technology, technology-enabled, consumer and food product).</p> <p>A portion of the Fund could also be used for strategic follow-on investment in Clients. Total investment by the Fund into a single company will not exceed \$250K. The opportunity exists to co-invest with the larger Elevate Capital Fund, LLC.</p>
The Fund will provide mentoring and intense business advising services to Clients.	One-on-one mentoring provided by the Fund Management Team. The Fund will utilize The Indus Entrepreneurs (TIE) Launch Pad program, with focus on assigned mentors, best-practice sharing, networking events and guest speakers. The Fund will also pursue opportunities to tap mentors outside of the Portland metro area through access to the larger TIE Global network and new national partners.
Investments will target startups founded by diverse teams from under-represented populations.	<p>Over a five (5) year period the Fund will pursue the goal of thirty (30) investments in early-stage startups. All participating startups will have a founder considered under-represented to the Portland metro startup community. The target demographic breakdown of founders of startups receiving investment is 40 percent Black or Latino/Hispanic, 40 percent women, 20 percent other disadvantaged groups (Asian immigrants, Native American, ability/disability, etc.)</p> <p>Diversity will be measured by demographic make-up of co-founders or executive level leaders with ownership stake. It does not include employees on a vesting scheduling.</p>
The Fund will seek to develop a viable pipeline of growth companies in Portland and the region.	The Fund will target investment dollars and mentoring toward early-stage startups in the

	<p>Portland metro area, with particular focus on the City of Portland and Multnomah County.</p> <p>Firms participating from outside the Portland metro area will be required to relocate to the Portland metro area for the Launch Pad program and have long-term intentions of growing in the region.</p>
The Fund will be organized to provide a limited number of selected investors (Limited Partners) with an opportunity to realize measurable long-term return on investment.	Targeting a 2X return with a floor of return on capital (net of fees).
The Fund Management Team must maintain an office in the City of Portland	The Fund will have permanent offices at 1331 NW Lovejoy St #900, Portland, OR 97209 and coordinate services and programming with the TIE Pearl Incubator.