

**REGIONAL RURAL REVITALIZATION
Board Meeting
Monday, March 18, 2024
6:00 P.M.
City of Burns Council Chambers
242 S Broadway Burns, Oregon 97720**

THE PUBLIC IS WELCOME TO ATTEND IN PERSON OR VIA ZOOM

Members of the public and media wishing to address the board of directors during any public comment period will be able to join the webinar as an "attende." Attendees will be able to view the webinar on a desktop, laptop or mobile device such as a smartphone or iPad by using the following link:

Join Zoom Meeting

<https://us06web.zoom.us/j/2385271637?pwd=WHIST211ZkRqZm9KeTdFa2xmQ1hjUT09>

Meeting ID: 238 527 1637

Passcode: XA5ijH

Dial by your location

+1 253 215 8782 US (Tacoma)

Meeting ID: 238 527 1637

Passcode: 478802

Find your local number: <https://us06web.zoom.us/u/kdvO28p7Bh>

- 1. OPEN AND ROLL CALL**
- 2. APPEARANCE OF INTERESTED CITIZENS**

Members of the public desiring to address the board shall first be recognized by the presiding officer and then state their name and address for the record. Unless otherwise designated by the presiding officer, each person shall have up to three (3) minutes to present their comments. The board of directors and staff normally will not directly respond to a public comment during the public comment period. Board and staff member comments will be held until the Board comment period.

- 3. APPROVAL OF PRIOR MEETING MINUTES**

Board Packets and Minutes are accessible at this link:

<https://www.dropbox.com/scl/fo/jxq6093veI9clys07zyvny/h?rlkey=m0wqzaxnjzfxzyu8acize7d6&dl=0>

NEW ITEMS OF BUSINESS

- 4. PREDEVELOPMENT TECHNICAL ASSISTANCE**
Attachments:

5. DIRECT INVESTMENT

Attachments:

- 5.1 Purchase and Sale Agreement -- Creekside Subdivision
- 5.2 Draft Application Form

6. IMPLEMENTATION SUPPORT

Attachments:

- 6.1 PlatWidget Examples
- 6.2 Implan Quote

7. ADMINISTRATION & STRATEGIC RESERVES

Attachments:

- 7.1 Resolution No. 2024-01 – Application Review Procedures
- 7.2 Second Amended and Restated IGA
- 7.3 Proposal for Annual Independent Auditor Services -- Gaslin Accounting

CONTINUED ITEMS

***/*NONE**

Attachments:

- None

GENERAL DISCUSSION AND UPCOMING MEETINGS

8. GENERAL DISCUSSION OF PRIOR TOPICS

Attachments:

- 8.1 Invoice Procedures & Invoices for Approval with Budget to Actuals Report

Topics:

- At-large board member applications
- .GOV Domain and R3 website
- Budget Committee process for FY25 budget

9. BOARD COMMENTS AND UPCOMING MEETINGS

Attachments:

- None

**R3 STRATEGIES CONSORTIUM
BOARD MEETING MINUTES
Monday, February 26, 2024 at 6:00 PM
Burns City Hall
242 S. Broadway Ave., Burns, Oregon
Video Link:**

https://app.read.ai/analytics/meetings/01HQM47S56TMC41V4BR5T82V05?utm_source=Share_CopyLink

Meeting Summary:

The meeting began with attendance being taken and public comments being addressed. Cam Marlowe expressed a desire for funding for a hospital district project in John Day during the public comment section. Board approved the prior meeting minutes. The meeting then transitioned to new items of business, specifically pre-development technical assistance, which was handed over to Nick Green for further discussion.

The meeting focused on reviewing and adopting the Western Design International professional services agreement, which had been adjusted based on feedback from Western Design. The changes included clarifying specific terms, adding a not-to-exceed amount for discretionary spending, and making adjustments to insurance coverage rates. The board reviewed and approved a letter of intent for the development of a subdivision called Creekside in Lakeview. The subdivision has improved lots with complete infrastructure, and the board considered options to support its development, including potential purchase and sale agreements and environmental assessments.

The discussion then shifted to the of various founders projects for grants, forgivable loans, and repayment terms, along with the development process and potential funding for the projects. Green disclosed a potential conflict of interest related to the Miller Springs development project, emphasizing that it does not affect his or Catalyst’s financial interests.

The board discussed a plat widget application that can display available lots and proposed floor plans within a subdivision, offering a cost-effective solution for showcasing potential investments. They also reviewed a potential congressionally directed spending request and projects that could be funded if the FY24 federal budget is approved. The board expressed interest in accepting the funding if it is approved. They concluded by approving an agreement with Beery, Elsner and Hammond.

AGENDA ITEM & TOPIC	DISCUSSION	ACTION OR RESOLUTION
1. OPEN AND ROLL CALL	<p>Board Members Present: Heather Smith (Board Chair) and Loran Joseph.</p> <p>Present Via Zoom: (see link)</p> <p>Absent and Excused: Kyle Deiter</p> <p>Absent: None</p>	Chair Smith opened the meeting at 6:00 PM
2. PUBLIC COMMENTS	<p>Cam Marlowe, CEO of Blue Mountain Hospital District (BMHD) in John Day, OR. BMHD is still interested in applying for fuding.</p>	
3. APPROVAL OF MINUTES	<p>Reviewed minutes.</p>	Motion made to approve by Loran Joseph; Seconded by Heather Smith and passed unanimously.

**4. PREDEVELOPMENT
TECHNICAL
ASSISTANCE**

Green reviewed the updated Western Design International contract. The agreement has been vetted by Chad Jacobs and Green. Green has reviewed it with Western Design.

There will be a not to exceed price \$145,000 that hasn't changed. There is an added not to exceed amount of \$25,000 for discretionary spending. Examples of discretionary spending could be travel to 3D printed homes to see if they could be incorporated into plans.

Scope of work adjusted for insurance coverage rates. R3 is paying for stock plans. R3 is not building housing as a government agency. A developer would need to enter into a licensing agreement with Western Design directly.

Lakeview Subdivision Development:
Green presented on the Lakeview Subdivision project called "Creekside." 18 lots that are undeveloped, in the city limits and in the Urban Renewal Area (URA). There are 18 lots that are shovel ready today, including: water, sewer, broadband, power, streets and curbs.

There are two potential courses of action for the developer. 1) Could be provided grants. 2) R3 could purchase it and make it available to for local builders and developers. The developers preference is for R3 to purchase at the negotiated price of \$412,000 for the 18 buildable lots with 1 lot being reserved for park space.

**5. DIRECT
INVESTMENT**

If letter of intent (LOI) approved, R3 would look to sign and close by May 17th. Lots would then be equity contribution toward construction loan for financing developers. There are two developers interested.

If LOI is approved by the board, phase one would be an environmental assessment by Anderson Engineering for \$2,000, covering R3 in the event of environmental contamination.

Lakeview Berry Project:
Green presented on the 'Berry Project.' This is a mixed use property lot, is within the city limits, and in URA. Developer proposing to take lot 3700(.7acre lot). The developer

Motion made to adopt the Western Design International Professional Service Agreement by Loran Joseph; Seconded by Heather Smith and passed unanimously.

Motion made to approve for Jacobs to move forward with the LOI by Heather Smith; Seconded by Loran Joseph and passed unanimously.

No motion made.

would divide into 4 lots for single family homes.

This would take the project from Readiness Level 1 to 7 for a cost of \$25,000. R3 Funding Request would be about \$80,000. Residual R3 funds (Steps 8-10) would be about \$55,000.

Agreement to move forward with next steps.

Burns Miller Springs Development:

Green submitted a written disclosure of a potential conflict of interest for himself. Before R3 was established Green worked with the city of Burns and the developer to prepare the land use applications for this project. This occurred last summer and Green has no financial interest in the project.

No Motion made.

Timeline: Break ground, April 2024; Construction, July 2024; Initial Lease-up, July 2025; Full stabilization, January 2027; Permanent Financing, May 2027.

MSF is raising \$4.8M in capital for their first multi-asset commercial real estate investment portfolio in Burns. Requesting \$3.2M in R3 funding.

Recommendation for partial grant and forgivable loan for the developer.

Agreement to move forward with next steps to go into discussions with developer and come back, with more specific terms for a future meeting.

Subdivision investments, Plat widget:

created by a software company and is used by housing developers. Within a subdivision, you can identify the number of lot, click on individual lots and see the type of home planned for that lot. This also shows basic information about the community.

No Motion made.

Agreement for Green to speak with software developer and start queuing up some of the subdivisions.

Baker City Antler Hotel Project:

This project is within the city limits of Baker City. The main floor is used for commercial today. The top three floors are construction ready. Demolition and framing are completed.

No Motion made.

Potential for 12-16 units, ranging from studio to three bedroom. This is a high-impact project that activates the downtown.

Green will reach out to property owner, discuss next steps, identifying architectural design services, going through pro forma, and start looking at a potential joint development agreement. The board is in agreement.

Resolution on Application Procedures:
Green reviewed rules of engagement for non-founding cities, Chad Jacobs has reviewed the draft resolution.

No Motion made.

The board is ready to adopt at the next meeting.

Green reviewed the FY24 Congressionally Directed Spending (CDS) request. It was approved by the Senate Appropriations committee. If they pass the FY24 budget, R3 will receive \$1.5M.

6. IMPLEMENTATION SUPPORT

\$750,000 reserved for the CyberMill Nonprofit to create an Accelerator/Incubator space
\$150,000 reserved for the Fronier innovation Hub for Program Design/ Implementation of entrepreneurial and small business supports
\$250,000 in planning and pre-development for a land use project in Mitchell, OR
\$300,000 in small business capacity building (R3 board discretion)
\$50,000 in administrative cost recovery of overhead

No motion made.

Green reviewed the engagement letter and attorney services contract with Beery Elsner & Hammon, LLP to shift services to R3.

Motion made to approve the engagement letter and attorney services contract; and for Board Chair Smith to sign the documents on behalf of the agency, by Heather Smith; Seconded by Loran Joseph and passed unanimously.

7. ADMINISTRATION & STRATEGIC RESERVES

Green reviewed the FY24 Operating Budget.

Jacobs reviewed the Draft of Second Amended and Restated IGA. The major edit is the super majority vote. 1) Pure majority vote would require two of the three members. 2) Could require the votes to be

unanimous. OR 3) Could keep the super majority vote and allow the at-large member to count towards that vote.

Board will make a motion at the next meeting.

**8. GENERAL
DISCUSSION OF PRIOR
TOPICS**

Discussion on At Large Boardmember.
Board agreed for Green to advertise for 60 days to pull more applicants.

Anna is working on auditing service proposals. This year R3 will do its own mini audit. This will allow to buy time to get an auditor.

.gov domain and R3 website not created yet.

Green requests each boardmember to reach out to a budget committee member in their city to apply to be on the R3 budget committee.

Smith requested summer meetings at each of the founding cities and to do onsite tours.

ADJOURN

7:21 PM

Action Items:

- * Chad Jacobs will begin drafting a purchase and sale agreement if the LOI is approved by the board, and the next steps would be to initiate the phase one and bring it back at the next board meeting.
- * Nick Green will submit the application for FY24 CDS request if the budget passes.
- * Board Chair will sign the engagement letter and attorney services contract.
- * Anna Bass will work on auditing services proposals.
- * Board Members will ask a budget committee member from each community to apply for the board.
- * Board Members will consider the proposal for summer meetings at each of the different cities.

Heather Smith, Board Chair

Attest: _____
Nick Green, Director

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into as of the last date of signature indicated below (the "Effective Date"), by and between Creekside Subdivision LLC ("Seller") and Regional Rural Revitalization Strategies Consortium ("Buyer").

RECITALS

- A. Seller is the owner of approximately 4.5 acres of real property, together with all the improvements thereon and all rights appurtenant thereto (including but not limited to access rights, timber rights, water rights, grazing rights, development rights and mineral rights), located in the Creekside Subdivision in the City of Lakeview, the County of Lake, State of Oregon, identified as Lots 1, 2, 3, 4, 6, 7, 8, 9, 11, 12, 13, 14, 16, 17, 18, 23, 25, 26 and Tract A, and more particularly listed on the attached Exhibit A as depicted on the attached Exhibit B (the "Property").
- B. Buyer desires to purchase from Seller, and Seller desires to sell and convey to BUYER, all right, title and interest in the Property.
- C. The terms of this Agreement are as follows:

TERMS

1. **Purchase and Sale.** Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, the Property upon the terms and conditions set forth below in this Agreement.
2. **Purchase Price.** The Purchase Price for the Property is FOUR HUNDRED TWELVE THOUSAND DOLLARS (\$412,000.00), payable as follows:
 - 2.1. **Earnest Money Deposit.** Within ten (10) days after execution of this Agreement, Buyer shall deposit into escrow with AmeriTitle located at 405 N 1st Street, Lakeview, OR 97630 (the "Title Company") the sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) (the "Earnest Money"). The Title Company shall invest the Earnest Money in a federally insured, interest-bearing account. The accrued interest will be treated as part of the Earnest Money. If the Earnest Money is retained by Seller, Seller will receive the interest. If the Earnest Money is retained by Buyer, Buyer will receive the interest. At Closing, the Earnest Money, together with interest on it, if any, will be credited toward payment of the Purchase Price.
 - 2.2. **Balance of Purchase Price.** On or before the Closing Date (as hereafter defined), Buyer shall deposit into escrow with the Title Company the balance of the Purchase Price.
3. **Closing Date.** This transaction shall close no later than May 17, 2024, unless otherwise extended as set forth herein (the "Closing Date" or "Closing"). Closing will occur at the office of the Title Company.

4. Buyer's Title Review.

4.1. Title Report; Unacceptable Exceptions. Within ten (10) days after the Effective Date, Buyer shall order from the Title Company a preliminary title report on the Property, along with legible copies of all plats and exceptions documents referenced in such report (the "Title Report"). Buyer will have five (5) days following the later of (i) the Effective Date or (ii) Buyer's receipt of the Title Report to review the Title Report and give Seller written notice of the exceptions listed in the Title Report that are unacceptable to Buyer (the "Unacceptable Exceptions"). Mortgages, delinquent taxes, or other financial obligations secured by the Property are automatically deemed Unacceptable Exceptions. If Buyer notifies Seller of its objection to any Unacceptable Exceptions, Seller will thereafter have five (5) days to provide Buyer written notice stating whether Seller will (at Seller's sole cost and expense) cause such exceptions to be removed from the Title Policy issued to Buyer at Closing. If Seller refuses to remove any of the Unacceptable Exceptions and Buyer is not then satisfied with the condition of title, Buyer may elect to terminate this Agreement within five (5) days of Seller's notification, in which event the Earnest Money shall be returned to Buyer.

4.2. Failure to Deliver Clean Title at Closing. If Seller fails to eliminate any Unacceptable Exception which Seller agreed to remove pursuant to Section 4.1 by the Closing Date, then Buyer may, without limiting any of its otherwise available remedies, elect to either (a) accept title to the Property subject to such exceptions, (b) refuse to accept the Property and terminate this Agreement, in which case the Earnest Money shall be refunded to Buyer, or (c) extend the Closing Date for a period of fifteen (15) days to provide Seller with additional time to remove such exceptions. If Buyer elects option (c) and at the end of the 15-day period such exceptions have not been removed, Buyer may then elect to proceed in accordance with either option (a) or (b) described above. To the extent that an Unacceptable Exception is a monetary lien or financial obligation secured by the Property, the Title Company is hereby directed to pay off such lien or obligation to the extent that it can be satisfied by application of all or a portion of the Purchase Price delivered into escrow by Buyer at Closing.

4.3. Permitted Exceptions. All exceptions other than the Unacceptable Exceptions objected to by Buyer which Seller agreed to remove pursuant to Section 4.1 shall be deemed acceptable to Buyer (the "Permitted Exceptions"); provided, however, that in no event will mortgages, delinquent taxes, or other financial obligations secured by the Property be deemed Permitted Exceptions. Should the Title Company inform Buyer of any new title exceptions not appearing on the initial Title Report, such new exceptions shall be deemed Unacceptable Exceptions, unless specifically accepted in writing by Buyer.

5. Buyer's Due Diligence and Inspections.

5.1. Due Diligence Period. Buyer shall have thirty (30) days after the Effective Date to review documents, make inspections, and otherwise satisfy itself that the condition of the Property is satisfactory to it (the "Due Diligence Period").

5.2. Seller's Delivery of Documents. Within five (5) days after the Effective Date, Seller shall deliver to Buyer any and all material information and documentation in Seller's possession

pertaining to the Property (the "Due Diligence Documents"). The Due Diligence Documents include (without limitation) copies of the following to the extent in Seller's possession: (a) all environmental data, studies, analyses, and reports relating to the Property or any neighboring property, (b) any existing survey of the Property, (c) any existing leases, boundary agreements, road maintenance agreements, or other contracts relating to all or a portion of the Property, (d) all topographical, geotechnical, wetlands, soils, and groundwater reports, or any other professional reports relating to the Property, (e) any well logs or water right certificates or permits relating to the Property, and (f) copies of any government permits, land use approvals or conditions, or zoning restrictions affecting the Property. If Seller is aware of the existence of any material information and documentation pertaining to the Property that are not in Seller's possession, Seller shall notify Buyer of the existence of such information within five (5) days after the Effective Date or two (2) business days after learning of the such information. Should Seller fail to timely provide Buyer with the Due Diligence Documents, Buyer may, at Buyer's sole discretion, extend the Due Diligence Period for a period not to exceed fifteen (15) days so that Buyer may have adequate time to review such additional documentation.

5.3 Property and Environmental Inspections. Buyer and its agents, including but not limited to consultants, surveyors, engineers, home inspectors, appraisers, and other professionals hired by Buyer, shall have the right to access the Property to conduct a Phase I Site Assessment (provided that Buyer must obtain Seller's prior consent to conduct a Phase II Environmental Site Assessment), structural inspections, sewer and septic system sampling, asbestos and lead testing, and any other due diligence Buyer deems necessary. Seller shall cooperate with Buyer in making such inspections. Buyer and its agents will have the right to enter the Property at reasonable times before Closing to perform such surveys, analyses, studies, appraisals, and other due diligence that Buyer deems necessary; provided, however, that Buyer shall give Seller forty-eight (48) hours notice prior to entering any residence located on the Property. Any area disturbed or damaged by Buyer's inspections shall be restored by Buyer, at Buyer's sole costs and expense, to its pre-inspection condition, and Buyer shall indemnify, defend, and hold Seller harmless from any liability resulting from any act of Buyer, its agents, employees and representatives in connection with such inspections. Buyer shall maintain or cause its contractors, property inspectors and subcontractors to maintain commercial general liability insurance policies having a combined liability limit of at least One Million and 00/100 Dollars (\$1,000,000.00) and property damage limits of at least One Million and 00/100 Dollars (\$1,000,000.00) to cover its activities on the Property. In the event Seller permits Buyer to conduct a Phase II Environmental Assessment and it is determined by an independent environmental consultant that Phase 3 remediation (Phase 3 Work) is necessary, the parties will mutually agree on the costs for Phase 3 before the work is initiated.

6. Conditions Precedent to Closing.

6.1. Conditions Precedent to Buyer's Obligations. In addition to any other conditions contained in this Agreement, the conditions set forth in this Section 6.1 must be satisfied prior to Buyer's obligation to acquire the Property. These conditions are intended solely for Buyer's benefit and Buyer has the sole right and discretion to waive, by written notice, any of the conditions. In the event any condition is not satisfied or waived on or before the Due Diligence Period or Closing,

as applicable, Buyer will have the right to terminate this Agreement, in which event the Earnest Money shall promptly be returned to Buyer.

6.1.1. Buyer Board Approval. Prior to the expiration of the Due Diligence Period, the purchase of the Property must be approved by the Governing Board of the Regional Rural Revitalization Strategies Consortium.

6.1.2. Intentionally Deleted.

6.1.3. Due Diligence and Inspection Results. Prior to the expiration of the Due Diligence Period, Buyer must be satisfied, in its sole and absolute discretion, with its review of the Due Diligence Documents and the results of Buyer's inspections of the Property conducted under Section 5.2 above. In the event Buyer is not satisfied with the Property it may determine by notice to Seller on or before the end of the Due Diligence Period to terminate this Agreement in which event the Earnest Money will be returned to the Buyer.

6.1.4. Title. At Closing (a) Seller shall convey fee simple title to the Property to Buyer in accordance with Section 7.1, and (b) the Title Company must be committed to issue to Buyer the Title Policy described below in Section 9.

6.1.5. Representations, Warranties, and Covenants of Seller. Seller's representations, warranties, and covenants set forth in this Agreement shall be true and correct as of the Closing Date.

6.1.6. No Material Changes. At Closing, there shall have been no material adverse changes related to or connected with the Property.

6.1.7. Seller's Deliveries. Seller shall have delivered to the Title Company prior to Closing the documents and materials described below in Section 7.

6.1.8. Removal of Personal Property and Debris. Provided that Buyer has identified all such items prior to the expiration of the Due Diligence Period, Seller shall have removed or have caused to be removed from the Property, at Seller's sole cost and expense, any and all personal property and/or trash, rubbish, debris, illegally dumped materials or illegal fill materials.

6.2. Conditions Precedent to Seller's Obligations. Closing and Seller's obligations with respect to the transactions contemplated by this Agreement are subject to Buyer's delivery to the Title Company on or before the Closing Date of (i) the Purchase Price and (ii) the documents and materials described below in Section 7.2.

6.3. Failure of Conditions. In the event any of the conditions set forth above in Sections 6.1 or 6.2 are not timely satisfied or waived for a reason other than the default of Buyer or Seller under this Agreement, then this Agreement, escrow, and the rights and obligations of Buyer and Seller hereunder shall terminate and the Earnest Money shall be returned to Buyer.

6.4. Cancellation Fees and Expenses. In the event the escrow terminates because of the nonsatisfaction of any condition for a reason other than the default of Seller under this Agreement, Buyer shall pay the cancellation charges required to be paid to the Title Company. In the event this escrow terminates because of Seller's default, Seller shall pay the cancellation charges required to be paid to the Title Company.

7. Deliveries to the Title Company.

7.1 By Seller. On or before the Closing Date, Seller shall deliver the following into escrow with the Title Company:

7.1.1 Deed. A Statutory Warranty Deed (the "Deed"), duly executed and acknowledged in recordable form by Seller, conveying the Property to Buyer free and clear of all liens and encumbrances except the Permitted Exceptions accepted by Buyer pursuant to Section 4 above. The Title Company's usual, preprinted exceptions (typically listed as general exceptions 1-5 on the Title Report) shall not be listed as exceptions on the Deed.

7.1.2 Nonforeign Certificate. Seller represents and warrants that it is not a "foreign person" as defined in IRC §1445. Seller shall deliver into escrow a certification to this effect in the form required by that statute and related regulations.

7.1.3 Proof of Authority. Such proof of Seller's authority to enter into this Agreement and consummate the transaction contemplated hereunder, as may be reasonably required by the Title Company.

7.1.4 Lien Affidavits. If Buyer obtains an extended policy of title insurance, any lien affidavits or mechanic's lien indemnifications as may be reasonably requested by the Title Company in order to issue such extended policy of title insurance.

7.1.5 Other Documents. Such other fully executed documents and funds as are reasonably required by the Title Company of Seller to close the sale in accordance with this Agreement, including (without limitation) escrow instructions.

7.2 By Buyer. On or before the Closing Date, Buyer shall deliver the following into escrow with the Title Company.

7.2.1 Purchase Price. The Purchase Price, in accordance with Section 2 above.

7.2.2 Proof of Authority. Such proof of Buyer's authority to enter into this Agreement and consummate the transaction contemplated hereunder, as may be reasonably required by the Title Company and/or Seller.

7.2.3 Other Documents. Such other fully executed documents and funds as are required of Buyer to close the sale in accordance with this Agreement, including (without limitation) escrow instructions.

8 Deliveries to Buyer at Closing.

8.1 Right to Possession. At Closing, Seller shall deliver to Buyer exclusive possession of the Property and keys to all improvements and personal property located on the Property.

9 Title Insurance. As soon as practicable following Closing, Seller shall cause the Title Company to issue to Buyer a standard ALTA owner's title insurance policy in the full amount of the Purchase Price, insuring (a) fee simple title vested in Buyer or its nominees, subject only to the Permitted Exceptions as established under Section 4 of this Agreement and (b) unrestricted vehicular access from the Property to a public road (the "Title Policy").

10 Closing Costs. Seller shall pay for the Title Policy, one-half of all escrow fees, any real property transfer or excise taxes, all recording charges other than those allocated to Buyer below, and Seller's share of prorations pursuant to Section 11 below. Buyer shall pay the cost of any endorsements to the Title Policy requested by Buyer, the difference between a standard policy and extended policy of title insurance if requested by Buyer, the cost of recording the Deed, one-half of all escrow fees, and Buyer's share of prorations pursuant to Section 11 below. Buyer and Seller each shall pay for its own legal and professional fees incurred. All other costs and expenses are to be allocated between Buyer and Seller in accordance with the customary practice in the county where the Property is located.

11 Prorations and Taxes.

11.1 Prorations. Any and all state, county, and/or city taxes for the current year, rents, or other income or operating expenses pertaining to the Property will be prorated between Seller and Buyer as of the Closing Date.

11.2 Taxes and Assessments. All taxes, assessments, and encumbrances that will be a lien against the Property at Closing, whether or not those charges would constitute a lien against the Property at settlement, shall be satisfied by Seller at Closing. If Seller shall fail to do so, Buyer may pay any such tax, assessment, encumbrance or other charge and deduct an amount equal to any such payment from the Purchase Price. If the Property is subject to farm or forest deferred taxes, Seller shall be responsible for said deferred taxes.

12 Seller's Representations and Warranties. Seller hereby warrants and represents to Buyer the following matters, and acknowledges that they are material inducements to Buyer to enter into this Agreement. These representations and warranties shall survive a period of 12 months after Closing and Seller agrees to indemnify, defend, and hold Buyer harmless from all expense, loss, liability, damages and claims, including (without limitation) attorney's fees, arising out of a cause of action for the breach or falsity of any of Seller's representations, warranties and covenants brought during such 12 month period. Seller warrants and represents to Buyer that the following matters are true and correct, and will remain true and correct through Closing:

12.1 Authority. Seller has full power and authority to enter into this Agreement (and the persons signing this Agreement for Seller, if Seller is not an individual, have full power and authority to sign for Seller and to bind it to this Agreement) and to sell, transfer and convey all right, title, and interest in and to the Property in accordance with this Agreement. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority, or other party is required.

12.2 Unrestricted Access. The Property has unrestricted, insurable vehicular access to a public road.

12.3 Intentionally Deleted.

12.4 Hazardous Substances. For purposes of this Agreement, the term "Hazardous Substances" has the meaning defined in and includes those substances set forth in ORS 465.200. Seller warrants and represents as follows:

(a) Seller has not brought onto, stored on, buried, used on, emitted or released from, or allowed to be brought onto, stored on, buried, used on, emitted, released from, or produced or disposed of, from, or on the Property, any Hazardous Substances in violation of any environmental laws of the federal or state government;

(b) To the actual knowledge of Richard E. Morgan, Jr., without duty of inquiry or investigation ("Seller's Knowledge"), no underground storage tanks are located on the Property, including (without limitation) any storage tanks that may have at one time contained any Hazardous Substances;

(c) To Seller's Knowledge, the Property is materially in compliance with applicable state and federal environmental standards and requirements affecting it;

(d) Seller has not received any notices of violation or advisory action by regulatory agencies regarding environmental control matters or permit compliance with respect to the Property;

(e) Seller has not transferred, and to Seller's Knowledge no other person has transferred, Hazardous Substances from the Property to another location that is not in compliance with applicable environmental laws, regulations, or permit requirements; and

(f) There are no proceedings, administrative actions, or judicial proceedings pending or, to Seller's Knowledge, contemplated under any federal, state, or local laws regulating the discharge of hazardous or toxic materials or substances into the environment.

12.5 Encroachments. To Seller's Knowledge (a) all structures and improvements, including any driveways and accessory structures, are wholly within the lot lines of the Property, (b) no existing building, structure, or improvement of any kind encroaches upon the Property from any adjacent property, and (c) there are no present or past discrepancies or disputes regarding the boundaries of the Property.

12.6 Rights and Contracts Affecting Property. Except for this Agreement, Seller has not entered into any other contracts for the sale of the Property or permitted any rights of first refusal or options to purchase the Property. Except for those exceptions of record listed on the Title Report and ordinary assessments from applicable governmental entities, Seller owns the Property in fee, free and clear of all liens, conditions, reservations, mortgages, leases, licenses, easements, prescriptive rights, permits, or other similar encumbrances. Seller has not sold, transferred, conveyed, or entered into any agreement regarding timber rights, mineral rights, water rights, "air rights," or any other development or other rights or restrictions relating to the Property, and to Seller's Knowledge no such rights encumber the Property. There are no service contracts or other agreements pertaining to the Property that Buyer will be required to assume at Closing. On or before Closing, Seller agrees to terminate any existing leases, licenses, permits or other agreements allowing others to use the Property unless otherwise agreed to by the Buyer which agreement is in Buyer's sole and absolute discretion.

12.7 Possession. There are no leases, licenses, or other agreements permitting, nor has Seller entered authorized any person or entity to occupy or use any portion of the Property. Seller shall deliver possession of the Property to Buyer at Closing.

12.8 Intentionally Deleted.

12.9 No Legal Proceedings. There is no suit, action, arbitration, judgment, legal, administrative, or other proceeding, claim, lien, or inquiry pending or to Seller's Knowledge threatened against the Property or against Seller that could (a) affect Seller's right or title to the Property, (b) affect the value of the Property, or (c) subject an owner of the Property to liability.

12.10 Mechanic's and Other Liens. No work on the Property has been done or materials provided that have not been paid for in full that would give rise to actual or impending mechanic's liens, private liens, or any other liens, against the Property.

12.11 Public Improvements or Governmental Notices. To Seller's Knowledge, there are no intended public improvements which will result in the creation of any liens upon the Property, nor have any notices or other information been served upon Seller from any governmental agency notifying Seller of any violations of law, ordinance, rule or regulation which would affect the Property.

12.12 Breach of Agreements. The execution of this Agreement will not constitute a breach or default under any agreement to which Seller is bound or to which the Property is subject.

12.13 Bankruptcy Proceedings. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending or, to Seller's Knowledge, threatened against Seller, nor are any such proceedings contemplated by Seller.

12.14 Changed Conditions. If Seller discovers any information or facts that would materially change the foregoing warranties and representations, Seller shall promptly give notice to Buyer of those facts and information and the representations and warranties set forth herein shall be supplemented by such new information. If Seller provides such notice prior to the end of the Due Diligence Period, Buyer may elect prior to the end of the Due Diligence Period, as Buyer's sole remedy, to terminate this Agreement, in which case Buyer will have no obligation to purchase the Property and the Earnest Money shall be refunded to Buyer. If Seller provides such notice following the expiration of the Due Diligence Period, Buyer may elect prior to Closing, as Buyer's sole remedy, to terminate this Agreement, in which case Buyer will have no obligation to purchase the Property and the Earnest Money shall be refunded to Buyer.

13 Condition of the Property Through Closing. Seller further represents, warrants, and covenants that until this transaction is closed or escrow is terminated, whichever occurs first, it shall (a) maintain the Property in substantially the same condition as it was on the Effective Date, with no tree cutting, timber harvesting, or alteration of the Property in any way, (b) keep all existing insurance policies affecting the Property in full force and effect, (c) make all regular payments of interest and principal on any existing financing, (d) comply in all material respects with all government regulations, and (e) keep Buyer timely advised of any repair or improvement required to keep the Property in substantially the same condition as it was on the Effective Date.

14 Buyer's Representations and Warranties. In addition to any express agreements of Buyer contained herein, the following constitute representations and warranties of Buyer to Seller:

(a) Subject to the condition in Section 6.1.1, Buyer has the legal power, right, and authority to enter into this Agreement and the instruments referred to herein and to consummate the transactions contemplated herein;

(b) Subject to the condition in Section 6.1.1, all requisite action has been taken by Buyer in connection with entering into this Agreement and the instruments referred to herein and the consummation of the transactions contemplated herein; and

(c) Subject to the condition in Section 6.1.1, the persons executing this Agreement and the instruments referred to herein on behalf of Buyer have the legal power, right, and actual authority to bind Buyer to the terms and conditions of this Agreement.

15 Legal and Equitable Enforcement of This Agreement.

15.1 Default by Seller. In the event Closing and the consummation of the transaction herein contemplated do not occur by reason of any default by Seller, Buyer shall be entitled as its sole remedy to either (a) terminate this Agreement and receive a refund of the Earnest Money or (b) leave the Earnest Money deposited with the Title Company and pursue specific performance of this Agreement.

15.2 Default by Buyer. In the event Closing and the consummation of the transaction herein contemplated do not occur by reason of any default by Buyer, Buyer and Seller agree that it would be impractical and extremely difficult to estimate the damages that Seller may suffer. Therefore, Buyer and Seller agree that a reasonable estimate of the total net detriment that Seller would suffer in the event that Buyer defaults and fails to complete the purchase of the Property is and will be an amount equal to the Earnest Money. This amount shall be Seller's sole and exclusive remedy (whether at law or in equity), and the full, agreed, and liquidated damages for the breach of this Agreement by Buyer. The payment of said amount as liquidated damages is not intended as a forfeiture or penalty. All other claims to damage or other remedies are hereby expressly waived by Seller. Upon default by Buyer, this Agreement will terminate and except as set forth in this section, neither party will have any further rights or obligations hereunder or to one another.

16 Risk of Loss, Condemnation. Seller bears the risk of all loss or damage to the Property from all causes, through the Closing Date. If, before the Closing Date, all or any part of the Property is damaged, destroyed, condemned, or threatened with condemnation, Seller shall give Buyer written notice of such event. Buyer may terminate this Agreement by giving written notice to Seller within ten (10) days following receipt by Buyer of written notice from Seller of such casualty or condemnation and the Title Company shall return to Buyer the Earnest Money and any accrued interest thereon.

17 Notices. All notices required or permitted to be given must be in writing to the address set forth below and will be deemed given upon (a) personal service, (b) deposit in the United States Mail, postage prepaid, (c) deposit a nationally recognized overnight courier service, or (d) email with confirmation of delivery. All such notices shall be deemed received (w) upon personal service, (x) three (3) days after deposit in the United States Mail, postage prepaid, (y) one (1) day after deposit with a nationally recognized overnight courier service, or (z) if sent during business hours, on confirmation of delivery of such email, and if sent outside of business hours, the next business day following confirmation of delivery of such email.

To Seller: Creekside Subdivision LLC
Attn: Richard Morgan, Jr.
19410 Hooker Creek Road
Cottonwood, CA 96022
Phone No. (530) 945-8731
Email: rickyrcr@aol.com

To Buyer: Regional Rural Revitalization Strategies Consortium
Attn: Nick Green
205 Valley View Dr.
John Day, OR 97845
Phone No (541)620-2809
Email: nick@catalyst.win

The foregoing addresses may be changed by written notice, given in the same manner. Notice given in any manner other than the manners set forth above will be effective when received by the party for whom it is intended. Telephone and fax numbers are for information only.

18 Broker or Commission. Each party represents and warrants that it has used no brokers in this transaction. In the event any person or entity asserts a claim for a broker's commission or finder's fee against one of the parties to this Agreement, then Seller shall indemnify, hold harmless, and defend Buyer from and against any such claim if based on any action, agreement, or representations made by Seller; and Buyer shall indemnify, hold harmless, and defend Seller from and against any such claim if based on any action, agreement, or representations made by Buyer.

19 Further Actions of Buyer and Seller. Buyer and Seller agree to execute all such instruments and documents and to take all actions reasonably acceptable to each party pursuant to the provisions of this Agreement in order to consummate the purchase and sale contemplated and both parties shall use their reasonable efforts to accomplish Closing in accordance with the provisions hereof.

20 Miscellaneous.

20.1 Partial Invalidity. If any term or provision of this Agreement or the application to any person or circumstance is, to any extent, found invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances, other than those to which it is held invalid or unenforceable, will not be affected thereby, and each such term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.

20.2 Waivers. No waiver of any breach of any covenant or provision contained herein will be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act.

20.3 Survival of Representations. The covenants, agreements, representations, and warranties made herein shall survive 12 months after Closing and will not merge into the Deed upon recordation in the official real property records.

20.4 Representation. This Agreement was prepared by Buyer. Seller represents that Seller had an opportunity to consult with its own legal counsel prior to executing this Agreement. Seller waives any claim that any term or condition herein should be construed against the drafter of the Agreement. This Agreement shall be construed as if it had been prepared by both parties.

20.5 Entire Agreement. This Agreement (including any exhibits attached to it) is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter of the Agreement and supersedes all prior understandings with respect to it. This Agreement may not be modified or terminated, nor may any obligations under it be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein.

20.6 Time of Essence. Seller and Buyer hereby acknowledge and agree that time is strictly of the essence with respect to every term, condition, obligation, and provision contained in this Agreement. Unless otherwise specified herein, in computing any period of time described in this Agreement, whenever a date for an action required to be performed falls on a Saturday, Sunday, or a state or federal holiday, then such date shall be extended to the following business day.

20.7 Recitals. The statements and information set forth in the Recitals are hereby incorporated as if fully set forth herein and shall be used for the purposes of interpreting this Agreement.

20.8 Governing Law. The parties acknowledge that this Agreement has been negotiated and entered into in the state of Oregon. The parties expressly agree that this Agreement is governed by and should be interpreted in accordance with the laws of the state of Oregon.

20.9 1031 Exchange. Seller may arrange and effect the Closing of the sale of the Property in connection with a simultaneous or non-simultaneous exchange for other property of like kind pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended. Seller shall be responsible for preparing the documents required to effect the exchange and for paying any additional closing, title, or escrow costs incurred in connection with the exchange. Buyer shall cooperate with Seller's efforts to effect an exchange transaction, and shall execute any documents reasonably requested in connection therewith, provided Buyer shall not be required to incur any costs or obligations or to take title to any exchange property other than the Property. The sale of the Property is not conditioned upon Seller's ability to effect an exchange. Notwithstanding the preceding, Buyer shall not be required to delay its development plans for the Property to comply with this section.

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301, AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A

LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

This document will automatically expire on _____ at 5:00 p.m., if not executed by Seller within that time and delivered to BUYER pursuant to the notice requirements contained in Section 17 above.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the last date of signature specified below.

BUYER: Regional Rural Revitalization
Strategies Consortium

SELLER: Creekside Subdivision LLC

Signature

Signature

Name: _____

Print Name: Richard E. Morgan, Jr.

Title: _____

Title: Member

Date: _____

Signature

Print Name: Shanna Morgan

Title: Member

Date: _____

**Exhibit A
Property List**

Phone #	Total Area		Assessment Information	
	Lot No	SF		Acres
	1	10,017	0.23	3200
	2	10,165	0.23	3300
	3	8,303	0.19	3400
	4	7,700	0.18	3500
	6	7,700	0.18	3700
	7	7,700	0.18	3800
	8	7,700	0.18	3900
	9	7,700	0.18	4000
	11	9,897	0.23	4200
	12	10,066	0.23	4300
	13	8,247	0.19	4400
	14	8,240	0.19	4500
	16	9,341	0.19	4700
	17	9,888	0.23	4800
	18	10,698	0.25	4900
	23	9,571	0.22	5400
	25	15,896	0.36	5800
	26	8,722	0.20	5700
	Tract A	33,138	0.76	5900
Average		10,499	0.24	
Sum	19	199,489	4.58	

Regional Rural Revitalization (R3) Strategies Consortium
Housing Incentive Program
Application

Date Received: _____

Name of Applicant: _____

Project County: _____

Project Street Address: _____

Mailing Address (if different): _____

Telephone Number: _____

Email: _____

Property Owner(s) with Address, Phone Number (if different from Applicant):

Will property owner(s) likely be the same at time of project completion: Y / N

County Assessor's Map # and Tax Lot _____

Pre-Project Tax Assessor's Assessed Value: \$ _____

L32

Brief Description of Project (include: number of units,): _____

What permits do you currently have? _____

What permits do you plan to apply for? _____

Total Project Cost (see worksheet below): \$ _____

Estimated Project Start Date _____

Estimated Completion Date: _____

I, applicant, acknowledge the statements made herein are true and represent an accurate and full disclosure of all appropriate information as of this date. I understand that R3 will retain this application and any other information R3 receives, whether or not this incentive request is approved. I understand this request is public information.

Applicant Signature: _____ Date: _____

Proposed Project Financing Worksheet

Estimated Costs (Itemized):

Description	Cost:
Predevelopment Costs	\$ _____
Infrastructure Improvement Costs	\$ _____
System development charges or other similar fees related to the construction of housing	\$ _____
Construction Costs	\$ _____
Land write-downs	\$ _____
	\$ _____

Total Cost: \$ _____

Please Ensure the following items are included with the completed application form:

- * A project pro forma on template provided by R3 demonstrating project is economically feasible only with R3 moneys
- * Include agreement that identifies who will be receiving the incentive
- * Current building/property photographs
- * Proof of legal ownership (Property Deed)
- * Proof of current tax statement (Available from Assessor)

FOR OFFICIAL USE ONLY

Type of Project (select all that apply):

<input type="checkbox"/> Predevelopment Costs	Application by R3 Parties	Y / N
	Application by Sponsoring	
<input type="checkbox"/> Infrastructure Improvements	Jurisdiction	Y / N
	Application by other	Y / N
<input type="checkbox"/> System development charges or similar fees related to the construction of housing		
<input type="checkbox"/> Construction Costs	Building Permit	Y / N
<input type="checkbox"/> Land write-downs	Easement/Encroachment?	Y / N
<input type="checkbox"/> Mitigation, reduction, removal of blight	Remodel meets threshold?	Y / N

Quality of Application (30 Points)

- Experience (5 points)
- Expertise (5 points)
- Resources (10 Points)
- Reputation (5 points)
- Sustainability (5 points)

Project Financial Structure (60 Points)

- Financial Feasibility (30 Points)*
- Project Budget/Cost Projections (5 Points)
 - Assumptions (5points)
 - Contingency Plans (5 Points)
 - Financial Projections (15 Points)

Quality of Application Total _____

Financial Feasibility Total _____

Debt Equity Structure (10 Points)

Page 2 of 3
Risk Management and Mitigation Strategies (10 Points)

_____ Debt Financing (5 Points)
_____ Equity Financing (5 points)

_____ Identification/Assessment of Project Risks (5 Points)
_____ Mitigation Strategies (5 Points)

Debt Equity Structure Total _____

Risk Mgmt./Mitigation Total _____

Additional Considerations (10 Points)

_____ Exit Strategy (5 Points)
_____ Innovation (5 Points)

Additional Consideration Total _____

Project Financial Structure Total _____

Net Benefit (10 Points)

_____ Community Benefit (5 Points)
_____ Public Participation (5 Points)

Net Benefit Total _____

Quality Application Total _____

Project Financial Structure Total _____

Net Benefit Total _____

Total Points (100 Points): _____

Application Fee Amount: _____ Date Received: _____

Date Deemed Complete: _____ Reviewed By: _____

Date of Tax Assessor's Meeting: _____

Qualifying Program: _____ Project meets eligible criteria? Y / N

Estimated Incentive Rebate: _____ Includes All Items? Y / N

Approved Date: _____

Application Extension Date: _____

Approved with Modification: _____

Reason Not Approved for Program? _____

IMPLAN Proposal for Catalyst Public Policy Advisors, LLC

This proposal contains all data and reflects the pricing and terms as requested by the client.

PREPARED BY: **EMM SHUSTER**

for Catalyst Public Policy Advisors, LLC

Order Form

Order Number: 202404795
Prices valid through: 03/29/2024

NAME	UNIT PRICE	QTY	TAX
State Plan Oregon	\$9,500.00	1	\$0.00

Subtotal	\$9,500.00
Tax	\$0.00
Total	\$9,500.00

SUBSCRIPTION LENGTH (MONTHS)	12
Authorized Users	3
SUBSCRIPTION START DATE	UPON FINAL SIGNATURE

Notes:

*Client shall pay the Total Fees set forth on this Order Form, plus applicable taxes. Payment is due upon receipt of the invoice. Interest will be charged on overdue amounts at the rate of 1% per month.

Pay via Credit Card here:

https://documentlink.blackthorn.io/FAcSD99foqTG0KMQZhVY3So4yf8HhQeoCTswdGvhKuNInpOt4cjDyTrKJFmXOaKFyn_ItIldBw8FFIqWdO2-PA

Terms and Conditions:

The IMPLAN Support Policy is located [here](#).

Use of the IMPLAN System is governed by the IMPLAN System Terms and Conditions of Use found [here](#).

Use of the IMPLAN System is governed by the IMPLAN System Terms and Conditions of Use as attached hereto. Client's terms of purchase, including purchase order terms, are not applicable. IMPLAN and Client agree that this Order Form together with the IMPLAN System Terms and Conditions of Use (collectively, the "Agreement") represents the entire and fully integrated Agreement between the parties.

Acceptance

The individuals signing below hereby represent and warrant that they are duly authorized to execute and deliver this Agreement on behalf of their organization and that this Agreement is binding upon each party and organization in accordance with its terms.

IN WITNESS WHEREOF, each of the Parties has executed this **Agreement**, both Parties by its duly authorized officer, as of the day and year set forth below.

IMPLAN Group LLC

Client: Catalyst Public Policy Advisors, LLC

Name: Daniel W. Cain

Name:

Title: Vice President, Sales

Title:

Signature:

Signature:

Date:

Date:

RESOLUTION 2024-01

**A RESOLUTION OF THE REGIONAL RURAL REVITALIZATION (R3) STRATEGIES CONSORTIUM
ESTABLISHING CERTAIN APPLICATION REVIEW PROCEDURES**

WHEREAS, the Regional Rural Revitalization (R3) Strategies Consortium ("Consortium"), an Oregon intergovernmental entity, desires to establish certain policies and procedures applicable to Consortium's review of funding applications as defined in this Resolution; and

WHEREAS, Consortium desires to ensure that all requests for funding are handled in a manner that is consistent and compliant with the policies and procedures defined in this Resolution, as amended from time to time;

NOW, THEREFORE, BE IT RESOLVED, Consortium resolves as follows:

1. Findings; Adoption. The above-stated findings contained in this Resolution No. 2024-01 (this "Resolution") are hereby adopted. The Consortium board of directors (the "Board") hereby approves and adopts the Consortium's Application Review Procedures attached hereto as Exhibit A.

2. Miscellaneous. All pronouns contained in this Resolution and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The provisions of this Resolution are hereby declared severable. If any section, subsection, sentence, clause, and/or portion of this Resolution is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Resolution. This Resolution may be corrected by order of the Board to cure editorial and/or clerical errors.

APPROVED, ADOPTED, AND MADE EFFECTIVE by the Consortium Board on this ____ day of _____, 2024.

Heather Smith, Board Chair

ATTEST:

Nick Green, Director

Exhibit A.
Application Review Procedures

Section 1-1 Purpose and Compliance

Section 1-2 Funding Requests - Procedure

- A. Definitions
- B. Applications by R3 Parties
- C. Applications by Sponsoring Jurisdictions
- D. Applications by Others
- E. Application Requirements
- F. Disposition and Development Agreement
- G. DDA Approval; Recording
- H. Loan Repayment
- I. Default
- J. Reporting Requirements

Section 1-3 Fee Schedule

- A. Application Fees
- B. Additional Costs

Appendix 1-2 Evaluation Criteria

1-1 Purpose and Compliance. The purpose of this section is as follows: (a) ensure that all requests for funding are handled in a manner that complies with this Resolution, as amended from time to time; (b) maintain office efficiency and order; (c) create a fair and unbiased means for reviewing requests.

1-2 Funding Requests - Procedure.

A. Definitions. As used in this Policy:

- (1) "Applicant" means any person or entity applying to Consortium to fund an eligible project.
- (2) "Assessor," "tax collector," and "treasurer" mean the individual filling that county office so named or any county officer performing the functions of the office under another name.
- (3) "County Clerk" means the clerk of the County where an eligible housing project is undertaken.
- (4) "County tax officers" and "tax officers" mean the County's assessor, tax collector, and treasurer.
- (5) "Disposition and Development Agreement" or "DDA" means an agreement between the Consortium and a sponsoring jurisdiction or Applicant, which sets forth the terms and conditions governing the disposition of land and its improvement for a housing development.
- (6) "Eligibility Letter" means the provisional decision of the Consortium relating to their decision to approve or decline an application.
- (7) "Eligible costs" means the following costs associated with an eligible housing

project:

- a. Predevelopment costs;
- b. Infrastructure improvement costs;
- c. System development charges or other similar fees related to the construction of housing;
- d. Construction costs; and
- e. Land write-downs.

(8) "Eligible housing project" means a project to construct housing or to convert a building from a nonresidential use to residential or mixed-use.

(9) "Eligible housing project property" means the taxable real and personal property constituting the improvements of an eligible housing project.

(10) "Nonexempt property" means property other than eligible housing project property in the tax account that includes eligible housing project property.

(11) "Sponsoring jurisdiction" means:

- a. A city with respect to eligible housing projects located within the city boundaries; or
- b. A county with respect to eligible housing projects located in urban unincorporated areas of the county;
- c. An urban renewal agency or regional housing authority; or
- d. The governing body of an entity described in paragraphs (a) through (c) of this subsection.

B. Applications by R3 Parties. Funding prioritization shall be given to the Applications submitted by the parties to the R3 Strategies Consortium (R3 Parties), as documented in Appendix A to the Second Amended and Restated R3 Strategies Consortium Intergovernmental Agreement, dated _____ 2024.

C. Applications by Sponsoring Jurisdictions. Second priority will be given to sponsoring jurisdictions. A sponsoring jurisdiction may apply for funding for any eligible project, including an eligible housing project for which a developer may seek a grant under the program. A funding award to a sponsoring jurisdiction may include reimbursement for eligible costs incurred for up to 12 months preceding the date on which the eligible housing project received local site approval.

D. Applications by Others. All other funding requests will be given third priority. An application not submitted by an R3 Party or sponsoring jurisdiction must be dated and signed by the person (the "Applicant") requesting funding and on forms provided by the Consortium.

E. Application Requirements. An application for funding must include, at a minimum:

- (1) A description of the eligible project;
- (2) An itemized description of the eligible costs for which funding is sought;
- (3) The proposed schedule for completion of the eligible project;
- (4) A project pro forma on a template provided by R3 demonstrating that the project is economically feasible only with the R3 moneys; and
- (5) Any other information, documentation, or attestation that the R3 board of directors considers necessary or convenient for the application review process.

F. Application Review. The review of an application under this section shall be completed within 90 days following the receipt of a complete application by the R3 board of directors.

- G. Notwithstanding paragraph (F) of this subsection:
- (1) Consortium's board of directors may, at its sole discretion, extend the review process beyond 90 days if the volume of applications would make timely completion of the review process unlikely.
 - (2) Consortium may consult with an Applicant about the Applicant's application, and the Applicant, after the consultation, may amend the application on or before the review deadline.

- H. Consortium shall:
- (1) Review each application for completeness;
 - (2) Request that the county tax officers provide official tax records for the eligible project, if necessary or desirable for Consortium's evaluation;
 - (3) Evaluate each application based on criteria established by the Consortium as set forth in Appendix 1-2;
 - (4) Set the term of a loan or forgivable that will fund the eligible project for a period not to exceed ten (10) years;
 - (5) Set the amount of the grant that may be awarded to the Applicant;
 - (6) Provisionally:
 - i. Approve the application as submitted;
 - ii. Approve the application on terms other than those requested in the application;
or
 - iii. Reject the application.
 - (7) Notify the Applicant of the provisional approval and funding terms and conditions or the application's rejection (the Eligibility Letter);
 - (8) The rejection of an application and the amount of a funding award may not be appealed, but a developer may reapply for funding at any time within the applicable deadlines of the program for the same or another eligible project.

I. Disposition and Development Agreement. If an application is deemed eligible for funding under terms acceptable to the Consortium and Applicant, the parties shall enter into a funding agreement, which could be a DDA, a grant agreement, a loan agreement, or any other type of agreement that would effectuate the intent of the parties. This agreement shall include, at a minimum:

- (1) A description of the eligible housing project;
- (2) An itemized description of the eligible costs;
- (3) The amount of loan, forgivable loan, and/or grant funding provided for the eligible housing project;
- (4) An amortization schedule for the distribution of and repayment of funds under the agreement; and
- (5) Terms and conditions as set forth by the Consortium

J. Agreement Approval; Recording. Consortium shall review and approve the agreement in a duly noticed public meeting. The agreement or a memorandum of the agreement shall then be notarized and recorded with the County Clerk.

K. Loan Repayment. Repayment of loans under this Resolution shall begin upon the earlier of the completion of the eligible housing project or thirty-six (36) months. A loan shall remain outstanding until paid in full or forgiven under the terms of the loan agreement.

- L. Default. An Applicant that received a funding award under this Resolution shall:
- (1) Become liable for immediate payment of any outstanding annual fee payments imposed under the agreement memorializing the funding award if:
 - a. The Applicant has not completed the eligible housing project within three years following the date on which the Consortium moneys were distributed to the recipient;
 - b. The eligible housing project changes substantially from the project for which the application was approved such that the project would not have been eligible for the funding; or
 - c. The developer has not complied with a requirement specified in the agreement memorializing the funding award.
 - (2) If the sponsoring jurisdiction discovers that an Applicant willfully made a false statement or misrepresentation or willfully failed to report a material fact to obtain funding with respect to an eligible housing project, the Consortium may impose on the Applicant a penalty not to exceed 20 percent of the amount of the funding so obtained, plus any applicable interest and fees associated with the costs of collection.
 - (3) Any amounts imposed under subsection (1) or (2) of this section shall be a lien on the eligible housing project property and the nonexempt property in the tax account.
 - (4) Consortium shall provide written notice of any amounts that become due under subsections (1) and (2) of this section to the county tax officers.
 - (5) Any and all amounts required to be paid under this section shall be considered to be liquidated and delinquent, and the Consortium shall assign such amounts to the Department of Revenue for collection as provided in ORS 293.250.

M. Reporting. Not later than June 30 of each year in which an agreement memorializing a funding award entered into under this Resolution is in effect, an Applicant that is party to the agreement shall submit a report to the Consortium that contains:

- (1) The status of the construction or conversion of the eligible housing project property, including an estimate of the date of completion;
- (2) An itemized description of the uses of the Consortium moneys; and
- (3) Any additional information the Consortium considers essential for evaluating the eligible housing project and the Applicant's performance under the terms of the DDA.

1-3 Fee Schedule.

A. Application Fees. Reserved if Consortium elects to charge application fees. [An application fee may help reduce the number of unqualified applicants; would this apply to sponsoring jurisdictions and other applicants or just other applicants?]

B. Additional Costs. Reserved if Consortium elects to charge for additional costs (i.e., time for staff to perform application review, attorneys fees to develop the DDA, etc.) [Should this be included as a fee or taken from the Application Fee, or waived?]

Appendix 1-2
Evaluation Criteria

Applications shall be evaluated by Consortium based on the following three (3) criteria using a 100-point scale:

1. Quality of the Application (30 Points). Consortium will evaluate the application's quality, including the Applicant's ability to accomplish the objectives set forth in the application. Specific evaluation criteria shall include, but are not limited to:
 - A. Experience (5 Points). Evaluation of the Applicant's experience in building similar housing types, completing similar projects, and working in the project community.
 - B. Expertise (5 Points). Applicant's expertise in areas such as architecture, engineering, construction, and project management for housing developments, including licenses and certifications of Applicant or Project team.
 - C. Resources (10 Points). Determination of Applicant's access to necessary resources, including funding, equipment, and materials, and whether Applicant has established a network of reliable suppliers and contractors to complete the eligible housing project.
 - D. Reputation (5 Points). Applicant's reputation in the industry or community, whether they have received positive reviews from previous clients or partners, and if they have a track record of delivering high-quality projects on time and within budget. Letters of support may be submitted to assist Consortium in evaluating this criterion.
 - E. Sustainability (5 Points). Extent to which Applicant has prioritized sustainability in their building practices and experience incorporating sustainable features into housing projects, including green building practices and technologies, environmental and cultural impact assessments, and mitigation strategies.
2. Project Financial Structure (60 Points). Consortium's evaluation of the Project's financial structure shall include, at a minimum:
 - A. Financial Feasibility (30 Points). Financial feasibility shall be evaluated in four parts:
 - (1) Project Budget and Cost Projections (5 Points). Detailed breakdown of development costs, including land acquisition, construction, marketing, and financing.
 - (2) Assumptions (5 Points). Whether and to what extent assumptions for construction costs, sales prices, and absorption rates, as applicable, are realistic and achievable for the Project market.
 - (3) Contingency Plans (5 Points). The extent to which the Applicant's plans anticipate and address unforeseen risks and cost overruns.
 - (4) Financial Projections (15 Points). Viability of the Project based on the following:

- a. Pro forma financial statements, including income statement, cash flow statement, and balance sheet;
 - b. Projections for revenue, expenses, profitability, and return on investment; and
 - c. Sensitivity analysis to assess the impact of changes in critical variables that affect the Project's financial performance.

- B. Debt and Equity Structure (10 Points). The anticipated debt and equity structure for the Project shall be evaluated based on:
 - (1) Debt Financing (5 Points). Analysis of the sources and terms of debt financing, interest rates, repayment schedules, and risk of default, including availability of construction financing and permanent financing for the Project.
 - (2) Equity Financing (5 Points). Sources of equity investment, investor qualifications and experience, and the equity split and ownership structure of the Project.

- C. Risk Management and Mitigation Strategies (10 Points).
 - (1) Identification and Assessment of Project Risks (5 Points). Evaluating potential risks related to market conditions, construction delays, cost overruns, and regulatory changes and the likelihood and impact of each risk; and
 - (2) Mitigation Strategies (5 Points). Assessment of measures to reduce the likelihood and impact of identified risks, contingency plans to address unforeseen challenges, and insurance coverage for critical risks.

- D. Additional Considerations (10 Points). Discretionary points may be awarded for additional considerations, including:
 - (1) Exit Strategy (5 Points). Applicant's plan for exiting upon completion of the Project, including options for sale, buy-out, or continued ownership and management.
 - (2) Innovation (5 Points). Applicant's use of innovative construction methods, technologies, and designs, as well as the replicability or scalability of the Applicant's approach to other communities.

- 3. Net Benefit (10 Points). Consortium shall consider alignment with public objectives regarding the net community benefits and public participation in the application process, including:
 - A. Community Benefits (5 Points). Project's contribution to affordable housing, job creation, and economic development for the local community.
 - B. Public Participation (5 Points). Opportunities for and evidence of public input and feedback throughout the planning and development process.

**SECOND AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT TO
ESTABLISH REGIONAL RURAL REVITALIZATION (R3) STRATEGIES CONSORTIUM**

This Second Amended and Restated Intergovernmental Agreement to Establish Regional Rural Revitalization (R3) Strategies (this "Agreement") is dated March 18, 2024, (the "Effective Date"), and is entered into between Town of Lakeview ("Lakeview"), an Oregon municipal corporation, whose address is 525 North 1st Street, Lakeview, Oregon 97630, City of Burns ("Burns"), an Oregon municipal corporation, whose address is 242 South Broadway Burns, Oregon 97720, and Baker City ("Baker"), an Oregon municipal corporation, whose address is 1655 First Street, Baker City, Oregon 97814.

RECITALS:

- A. Burns and Lakeview are parties to a certain Intergovernmental Agreement to Establish Regional Rural Revitalization (R3) Strategies Consortium dated effective May 1, 2023 (the "Original Agreement"). Burns and Lakeview entered into the Original Agreement to form and organize Regional Rural Revitalization (R3) Strategies Consortium ("Consortium"), an intergovernmental entity organized under ORS chapter 190.
- B. Consortium was established to provide resources necessary to assist with the execution of the parties' housing and community improvement projects. This assistance includes, without limitation, evaluating and providing logistical assistance concerning housing and community development projects (e.g., determining the feasibility and requirements of proposed projects, sources of project funding, and assisting and managing project completion).
- C. John Day and Baker become part of Consortium as of the July 1, 2023 when the Parties entered into a First Amended and Restated Intergovernmental Agreement ("First Amended Agreement").
- D. Pursuant to the terms of the First Amended Agreement, John Day withdrew from the Consortium as of January 26, 2024.
- E. To facilitate John Day's withdrawal from the Consortium, the Parties desire to amend and restate the First Amended Agreement in its entirety by their execution of this Agreement.
- D. This Agreement is made pursuant to ORS 190.010, which statute provides that units of local government may enter into agreements for the performance of any functions and activities that any party to the agreement, or its officers or agents, has the authority to perform.

AGREEMENT:

NOW, THEREFORE, in consideration of the Parties' respective obligations under this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Definitions: Amendment and Restatement. Unless defined elsewhere in this Agreement, capitalized terms contained in this Agreement have the meanings assigned to them in the attached Appendix A. This Agreement amends, restates, and supersedes the First Amended Agreement in its entirety. The Original Agreement and the First Amended Agreement will be of no further force and effect as of the Effective Date.

2. Housing and Public Development Consortium.

2.1 Formation: Responsibility. The Parties have created the Regional Rural Revitalization (R3) Strategies Consortium ("Consortium"), an intergovernmental entity created pursuant to ORS chapter 190. Consortium's members are the Parties. Consortium will have responsibility and authority to (a) approve and evaluate proposed Projects, (b) assist and coordinate necessary logistics to complete approved Projects (including

functions related thereto), and (c) subject to the terms of this Agreement and/or ORS chapter 190, perform such other duties and responsibilities assigned by the Parties from time to time. Without otherwise limiting the generality of the immediately preceding sentence, and subject to the Laws, Consortium will have the following general powers: (y) adopt, through action of the Board, such bylaws, rules, regulations, standards, and/or policies necessary or appropriate to carry out Consortium's purposes and/or this Agreement; and (z) perform and exercise all powers pursuant to the Laws, including, without limitation, the Oregon constitution, the principal acts of the Parties, and ORS chapter 190, which are necessary and/or appropriate to perform (or cause to be performed) the Services.

2.2 Purpose. Consortium's purposes include, without limitation, the following: (a) stimulating economic recovery and revitalization for each Party by pooling resources and enabling increased efficiency for each Party to complete the Projects; (b) plan for the most effective and efficient use of combined resources to complete the Projects; (c) recruit, select, and employ (or contract with) the Managing Director; (d) provide a forum for communication and consultation among the Parties; (e) provide an opportunity for a cooperative and equitable sharing of expenses, resources, data, expertise, and experience among the Parties; and (f) carry out such other necessary and/or appropriate responsibilities and functions identified by the Parties from time to time.

2.3 General Authority. Except as otherwise provided in this Agreement and/or ORS chapter 190, Consortium will have the authority to act in the interests of the Parties to oversee and direct operation and completion of the Projects (and such other duties and responsibilities assigned by the Parties from time to time). Without otherwise limiting the generality of the immediately preceding sentence, and subject to the Laws, Consortium will have the following general powers: (a) purchase, own, hold, appropriate, and/or condemn land, property, facilities, and/or right-of-way either in Consortium's name or in the name of individual Party(ies) in furtherance of the construction, ownership, operation, and/or maintenance of the Projects; (b) enter into agreements with other public and/or private entities for the purpose of design, construction, ownership, operation, and/or maintenance of the Projects; (c) issue, sell, and/or otherwise dispose of bonds, securities, and/or other forms of indebtedness, including, without limitation, the power to raise revenue bonds under ORS chapter 287A; and (d) exercise all powers pursuant to the Laws, including, without limitation, the principal acts of the Parties and ORS chapter 190, which are necessary and/or appropriate to carry out the purposes of Consortium and/or this Agreement.

2.4 Party Responsibilities. In addition to all other Party responsibilities contained in this Agreement, including, without limitation, the cost-sharing obligations described in Section 5, each Party will (a) require that the Party's Standing Member provide the Party's governing body with regular updates concerning Consortium activities and the Services, and (b) host required Board and/or community meetings from time to time.

2.5 Office Space. Consortium's initial office space(s), equipment, and furnishings will be located at 242 S Broadway Burns, Oregon 97720. The Board may, consistent with the terms of this Agreement, change the location of its offices as needed to serve Consortium's interests and the Parties.

2.6 Eligible Entity Admission. Subject to the Laws, including, without limitation, ORS chapter 190, one or more Eligible Entities may become a party to this Agreement and Consortium if first approved by the unanimous consent of the Standing Members. Notwithstanding the immediately preceding sentence, an Eligible Entity will not become a party to this Agreement and Consortium unless and until the Eligible Entity signs a counterpart signature page to this Agreement and executes such other documents and instruments as the Standing Members determine necessary or appropriate.

3. Board of Directors.

3.1 Membership. Consortium will be governed by a board of directors consisting of the following persons (the "Board"): (a) the governing body of each Party will appoint one of its elected officials to serve on the Board (each a "Standing Member"); and (b) the then-appointed Standing Members will appoint one

person to serve on the Board (the "At-Large Position"). Each Standing Member will serve at the pleasure of his or her appointing Party and may be removed and replaced by the governing body of the appointing Party. If a Standing Member vacates his or her position, the governing body of the Party that appointed the departed Standing Member will fill the vacancy. The At-large Member will be appointed, and may be removed and replaced, by the unanimous consent of the Standing Members. The At-large Member may not be an elected official, officer, and/or employee of any Party. If an At-Large Member vacates his or her position, the Standing Members will fill the vacancy. Each fiscal year the Board will elect a chairperson and vice-chairperson from its membership, each of whom will serve a one-year term; provided, however, no Board member will serve more than one year as chairperson in any three-year period. The chairperson will preside over all Board meetings and perform such other duties prescribed by the Board from time to time.

3.2 Meetings; Decision Matrix.

3.2.1 Subject to the terms and conditions contained in this Agreement, a majority of the then-appointed Board members will constitute a quorum for the purpose of conducting its business, exercising its powers, and for all other purposes. Each Board member will be entitled to vote on all Board decisions, subject to applicable Laws. Regular meetings of the Board will be held no less than twice per fiscal year on such day(s), time(s), and place(s) determined by the Board. Subject to applicable Law, special meetings and emergency meetings may be called by the chairperson or two or more Board members. All Board meetings are subject to Oregon's Public Meetings Law, ORS 192.610 – ORS 192.690, as amended. Unless otherwise provided, Robert's Revised Rules of Order will govern all procedural matters.

3.2.2 Except as this Agreement and/or applicable Law requires otherwise, the consent (approval) of a "majority" of the Standing Members is necessary to decide any question and/or take any action before the Board. For purposes of this Agreement, the term "majority" means the consent (approval) of no less than 51% of the Standing Members.

3.2.3 Except as this Agreement and/or applicable Law requires otherwise, the consent (approval) of a "supermajority" of the Members is necessary to decide the following questions and/or actions taken before the Board: (a) hiring and/or contracting with the Managing Director; (b) discipline of the Managing Director; (c) termination of the Managing Director; (d) approval of Consortium's annual budget; (e) incurring Consortium indebtedness and/or obligations that exceed \$25,000.00 (individually or collectively); (f) capital expenditure(s) (or series of related capital expenditures) that exceeds \$25,000.00 (individually and/or collectively); (g) sale, lease, exchange, mortgage, assignment, pledge, encumbrance, disposition, grant of security interest, and/or other transfer of consortium assets; and/or (h) refinance, increase, consolidation, modification, and/or extension of any note, mortgage, and/or other security interest affecting consortium's assets. For purposes of this Agreement, the term "supermajority" means the consent (approval) of no less than 75% of the Members.

3.2.4 Except as this Agreement and/or applicable Law requires otherwise, the consent (approval) of all Standing Members (i.e., unanimous consent) is necessary to decide the following questions and/or actions taken before the Board: (a) admitting new or substitute Consortium members; (b) merging Consortium with any other entity; and/or (c) amendments or restatements of this Agreement and/or the Bylaws. Notwithstanding the supermajority and/or unanimous approval requirements required under Section 3.2.3 and 3.2.4, the Managing Director may pursue and negotiate the terms of any matter identified under Section 3.2.3(e)-(h) and Section 3.2.4(a)-(b) prior to submitting the applicable matter to a vote of the Board.

3.3 Authority. Subject to any limitations set forth in this Agreement and/or ORS chapter 190, the Board will have the authority and responsibilities set forth in this Agreement, including, without limitation, the following:

3.3.1 The Board will have authority to perform the following: (a) oversee and have full responsibility for all matters pertaining to Consortium's operations; (b) review and approve Consortium's

budget pursuant to applicable Law, including, without limitation, ORS 294.900 – ORS 294.930 (if and to the extent applicable); (c) approve capital purchase requests if not previously approved in the Budget; (d) review performance concerning implementation of Consortium’s policies and the Budget; and/or (e) carry out such other activities as are necessary, required, and/or implied to accomplish Consortium’s purposes, this Agreement, and/or as provided under ORS chapter 190.

3.3.2 Without otherwise limiting the generality of Section 3.3.1, the Board has the authority to perform the following: (a) recruit, select, employ, or contract with a Managing Director; (b) establish a job description, salary, and budget for the Managing Director; (c) receive and review reports from the Managing Director concerning Consortium’s Projects and ancillary operations and duties; (d) approve expenditures of Consortium’s assets; and (e) prepare and provide each Party with a monthly financial report consisting of an accounting of Consortium funds. Notwithstanding anything contained in this Agreement to the contrary, the Board will not have the authority to perform the following: (x) commit the taxing authority or general funds of any Party; (y) impose ad valorem property taxes or issue general obligation bonds; and/or (z) expend (or cause the expenditure of) funds exceeding (or inconsistent with) the Budget.

3.3.3 The Bylaws of Regional Rural Revitalization (R3) Strategies Consortium in place as of the Effective Date shall remain in effect unless and until amended by the Board.

4. Consortium; Managing Director.

4.1 Responsibilities; Costs. Subject to the terms and conditions contained in this Agreement, Consortium will be responsible for, and is hereby empowered to take, all actions necessary and/or appropriate to support Consortium’s operations and affairs in accordance with this Agreement and all Board policies. Without otherwise limiting the generality of the immediately preceding sentence, Consortium will provide and/or perform the following: (a) contract with or employ and terminate the Managing Director subject to and in accordance with Consortium’s policies and procedures; (b) enter into contracts subject to and in accordance with this Agreement, the Laws, and all Board policies (including, without limitation, all applicable public contracting rules and procedures); and (c) carry out such other necessary and/or appropriate responsibilities and functions that the Board may impose from time to time.

4.2 Managing Director.

4.2.1 Consortium will employ (or contract with) a person to serve as the Managing Director. Consortium will pay all compensation, benefits, taxes, costs, and expenses arising out of or resulting from Consortium’s employment of, or contracting with, the Managing Director, including, without limitation, vacation, sick leave, holidays, social security, unemployment benefits, contributions to any applicable employee retirement programs, workers’ compensation insurance, medical insurance, dental insurance, and life and disability insurance (all if and to the extent applicable).

4.2.2 The Managing Director will report to the Board and be subject to the general direction and control of the Board. Subject to the terms and conditions contained in this Agreement, the Managing Director will perform those Managing Director job duties and responsibilities identified in the attached Schedule 4.2.2 (the “Services”). The Managing Director will (a) consult with and advise the Board on all matters concerning the Services reasonably requested by the Board, (b) communicate all matters and information concerning the Services to the Board and perform the Services under the general direction of the Board, (c) devote such time and attention to performance of the Services as is necessary or appropriate, and (d) perform the Services to the best of the Managing Director’s ability in accordance with this Agreement and the Managing Director’s letter of employment or contract with Consortium.

4.2.3 Subject to the terms and conditions contained in this Agreement, Consortium is responsible for all personnel or contract matters concerning the Managing Director, including, without limitation,

compensation, benefits, standards of service, discipline, performance of duties, working hours, and termination. The Managing Director will not be entitled to any wages and/or benefits which accrue to employees of any Party, including, without limitation, unemployment benefits, contributions to the Public Employees Retirement System, workers' compensation insurance, medical insurance, dental insurance, and life and disability insurance. Consortium employees (including, without limitation, the Managing Director) are not employees of the Parties.

5. Budget; State Grant; Contributions; Ownership; Accounting.

5.1 Operating Budget. In accordance with and subject to the Laws, including, without limitation, applicable Oregon Local Budget Law provisions, Consortium may make expenditures for the acquisition, purchase, and/or lease of materials, services, supplies, facilities, personnel, real and/or personal property, and/or equipment as necessary or appropriate to carry out Consortium's purposes and/or this Agreement. Expenditures will not exceed funds appropriated for the specific purposes and will be made in accordance with applicable Law. The Managing Director will prepare, develop, and recommend Consortium's annual operating budget (the "Budget") for the Board's review and approval. Consortium will adhere to the fiscal year budget preparation cycle and will endeavor to adopt its annual budget in May or June each year. The budget period will be on a fiscal year basis beginning on July 1 each year and ending on the immediately following June 30.

5.2 State Grant. Consortium has been initially funded through grant appropriation of \$10,000,000.00 from the State of Oregon (the "Grant"). The Parties will apply the Grant toward Consortium's administrative, planning, and organization costs and expenses, Capital Equipment, and/or one or more Projects.

5.3 Contributions. Subject to the terms and conditions contained in this Agreement as well as any Grant money available for such purposes, Consortium's activities, including, without limitation, employment of or contracting with the Managing Director, will be paid by the Parties in accordance with the cost sharing percentages identified in Schedule 5.3 (the "Contribution Percentages"). The Contribution Percentages will be reviewed by the Board no less than annually. The Parties may amend or modify the Contribution Percentages from time to time if and when the Board determines necessary or appropriate.

5.4 Payment; Consortium Funds. Each Party will timely pay its Contribution amount based on the then-applicable Contribution Percentages. In September each year, Consortium will invoice each Party for the Party's Contribution amount. Each Party will pay the amount due under each invoice within thirty (30) days after the Party's receipt of the invoice. Consortium will maintain one or more bank accounts dedicated to the purpose of recording financial transactions specific to Consortium activities. All funds received by the Consortium, including, without limitation, funds contributed in accordance with this Section 5.4, will be maintained in Consortium accounts. Consortium funds will not be commingled with any Party funds.

5.5 Borrowed Employees. If a Party employee performs any services for or on behalf of Consortium (the "Borrowed Employee"), the Party employing the Borrowed Employee (the "Borrowed Employer") will charge (invoice) Consortium the Borrowed Employee's charge out rate (and all other expenses incurred by the Party) in accordance with the applicable Task Order. Consortium will pay the amount invoiced no later than thirty (30) days after invoice from the Borrowed Employer. The Project Sponsor will reimburse Consortium for all costs and expenses incurred for the Borrowed Employee within thirty (30) days after invoice from Consortium.

5.6 Consortium Consultants. If a Consortium consultant performs any services for or on behalf of a Project Sponsor (the "Consortium Consultant"), Consortium will charge (invoice) the Project Sponsor for the Consortium Consultant's costs and expenses incurred to assist the Project Sponsor in accordance with the applicable Task Order. The Project Sponsor will pay the amount invoiced no later than thirty (30) days after invoice from Consortium.

5.7 Project Ownership. Any tangible asset created through a Community Development Project will be owned and operated by the Project Sponsor.

5.8 Accounting. In September each year, Consortium will complete an accounting of Consortium expenditures during the immediately preceding fiscal year. If Consortium's accounting determines that the Contributions identified in Contribution Schedule were insufficient to cover Consortium's expenditures during the immediately preceding fiscal year, each Party will pay the unpaid balance (on a proportionate basis consistent with the Party's percentage identified in the Contribution Schedule) within thirty (30) days after the Party's receipt of notice from Consortium. Subject to the Laws and this Agreement, contributions received exceeding budgeted operational costs may be (a) returned to the Parties when such action is made part of Consortium's adopted budget, (b) expended for other Consortium activities, and/or (c) held in a reserve account for Consortium's future needs.

5.9 Initial Projects. Consortium's initial Projects are identified in the attached Schedule 5.9.

6. Insurance; Indemnification; Relationship.

6.1 Consortium Insurance. Consortium will obtain and maintain adequate insurance to cover Consortium's operations. Without otherwise limiting the generality of the immediately preceding sentence, Consortium will obtain and maintain, in addition to all other insurance required under this Agreement, the following minimum levels of insurance: (a) general liability insurance for all losses or claims arising out of or related to Consortium's operations (including, without limitation, damages as a result of death or injury to any person or destruction or damage to any property) with limits of no less than \$1,000,000.00 per occurrence, \$2,000,000.00 in the aggregate; (b) if applicable, employer liability insurance with limits of no less than \$500,000.00 per occurrence and in the aggregate; and (c) workers' compensation insurance in form and amount sufficient to satisfy the requirements of applicable Oregon law (the workers' compensation insurance policy will contain a waiver of subrogation in favor of each Party). Each liability insurance policy required under this Agreement will be in form and content satisfactory to the Board, will list each Party (and each Party's Representatives) as additional insured(s), and will contain a severability of interest clause. Notwithstanding anything in this Agreement to the contrary, the Board may increase the minimum levels of insurance (or types of insurance) Consortium is required to carry under this Agreement so that Consortium's insurance at least equals the applicable limits of liability identified under the Oregon Tort Claims Act (ORS 30.260 – ORS 30.300).

6.2 Consortium Indemnification. To the fullest extent permitted under applicable Law, Consortium will defend, indemnify, and hold the Parties and their respective Representatives harmless for, from, and against all claims, actions, proceedings, damages, liabilities, injuries, losses, and expenses of every kind, whether known or unknown, including, without limitation, attorney fees and costs, resulting from or arising out of Consortium's operations.

6.3 Party Indemnification. To the fullest extent permitted under applicable Law, each Party will defend, indemnify, and hold Consortium and the other Parties (and their respective Representatives) harmless for, from, and against all claims, actions, proceedings, damages, liabilities, injuries, losses, and expenses of every kind, whether known or unknown, including, without limitation, attorney fees and costs, resulting from or arising out of the Party's breach and/or failure to perform the Party's obligations contained in this Agreement. Each Party will retain all immunities and privileges granted under the Oregon Tort Claims Act (ORS 30.260 – ORS 30.300) and all other statutory rights granted due to the Party's status as a public body or agency.

6.4 Relationship. Each Party is an independent contractor of the other Parties. This Agreement does not create a joint venture and/or agency relationship between the Parties. No Party has the authority to bind the other Parties and/or represent to any person that a Party is an agent of the other Parties. No Party will provide any benefits to any other Party; each Party will be solely responsible for obtaining the Party's own benefits, including, without limitation, insurance, medical reimbursement, and retirement plans. Notwithstanding anything contained in this Agreement to the contrary, Consortium (or the Board) will not have the authority to bind and/or encumber a Party in any manner except as the Party agrees through both the policy and administrative authority granted to the Party's then-appointed Standing Member.

7. Term; Termination.

7.1 Term. Subject to the terms and conditions contained in this Agreement, the term of this Agreement commenced on the Effective Date and will remain in full force and effect until June 30, 2028 (the "Initial Term"), unless sooner terminated as provided in this Agreement. Upon expiration of the Initial Term, this Agreement will automatically renew for one or more term(s) of one year each, unless sooner terminated in accordance with this Agreement. Commencing on or about July 1, 2024 and continuing on or about the same day each year thereafter during the term of this Agreement, the Parties will review this Agreement to determine whether any changes and/or modifications to this Agreement are necessary or appropriate. Any changes and/or modifications to this Agreement require the Parties' written agreement. Notwithstanding anything contained in this Agreement to the contrary, the Parties may terminate this Agreement by the Parties' written agreement.

7.2 Voluntary Withdrawal by a Party. Any Party may terminate its participation in the Consortium (and its obligations under this Agreement) by providing no less than thirty (30) days' prior written notice to the chairperson and all other Parties. The withdrawing Party will (a) continue to pay its share of, and/or be responsible for, its Contribution amounts through and until the effective date of the Party's withdrawal, and (b) defend, indemnify, and hold Consortium and the remaining Parties harmless for, from, and against those financial responsibilities and obligations attributable to the withdrawing Party and/or accruing prior to the effective date of the withdrawing Party's withdrawal. A Party's withdrawal will not relieve the withdrawing Party from any liabilities and/or obligations incurred prior to the effective date of the withdrawal.

7.3 For Cause Termination.

7.3.1 Any Party may terminate the Party's participation in Consortium immediately upon notice to the chairperson and all other Parties upon occurrence of any of the following "for cause" events: (a) continuous and repeated problems occur in connection with Consortium's performance of its obligations under this Agreement; and/or (b) Consortium and/or another Party breaches and/or otherwise fails to perform any of Consortium's and/or the other Party's representations, warranties, covenants, and/or obligations contained in this Agreement.

7.3.2 Prior to any Party's termination of this Agreement for cause under Section 7.3.1, the non-defaulting Party will provide Consortium and all other Parties prior written notice of the alleged default (the "Default Notice"), which Default Notice will specify with reasonable particularity the default the non-defaulting party believes exists. Commencing on Consortium's and the alleged defaulting Party's receipt of the Default Notice, Consortium and the alleged defaulting Party (as applicable) will have ten (10) days within which to cure or remedy the alleged default(s) (the "Cure Period"). If Consortium and/or the alleged defaulting Party (as applicable) do not cure the alleged default within the Cure Period, the non-defaulting Party may terminate this Agreement for the purpose(s) identified in the Default Notice. Notwithstanding anything contained in this Agreement to the contrary, a non-defaulting Party is not required to provide, and Consortium and/or the alleged defaulting Party is not entitled to receive, a Default Notice upon Consortium's and/or the alleged defaulting party's (as applicable) commitment of a default under this Agreement for which Consortium previously received a Default Notice within the immediately preceding twelve (12) months (commencing from the date of the previous default).

7.4 Dissolution.

7.4.1 The Parties may terminate this Agreement and dissolve Consortium at any time by the Parties' unanimous written consent. If all then-Parties to this Agreement agree to terminate this Agreement and dissolve Consortium, the dissolution motion will provide an estimated timeline for the dissolution and will name three Standing Members (the "Dissolution Manager(s)") responsible for overseeing the dissolution process. The Dissolution Managers may retain professional assistance as needed and will take immediate steps to permanently terminate and dissolve Consortium. These dissolution steps may include, without limitation, the

following:

7.4.1.1 Providing written notice of Consortium's dissolution to the elected officials of each Party. This notice will include the proposed timeline for the dissolution and such other information the Dissolution Managers determined necessary or appropriate.

7.4.1.2 Notification of Consortium's dissolution to all neighboring agencies, all necessary state and federal agencies, and all partners.

7.4.1.3 Preparation of a budget document accounting for all Consortium funds, revenues, assets, and liabilities.

7.4.1.4 Payment of all Consortium debts and other financial responsibilities, including a final accounting of all debts and resources.

7.4.1.5 Payment and/or performance of those dissolution related tasks or responsibilities identified under Section 7.5.

7.5 Liquidation. Upon Consortium's dissolution, each Party on the date of dissolution will be responsible for its Contribution amount through the date of dissolution. Upon dissolution and subject to applicable Law, (a) Consortium's cash, if any, will be distributed to each Party in proportion to each Party's Contribution percentage, (b) all remaining Consortium assets will be distributed in the manner agreed upon by the Parties, which may include, without limitation, the sale of Consortium's facilities and equipment, and (c) Consortium personnel and employees will be transferred or terminated subject to and in accordance with applicable Oregon law.

8. Miscellaneous.

8.1 Coordination; Assignment; Binding Effect. The Parties will maintain adequate levels of communication to ensure maximum cooperation and coordination between the Parties. No Party may assign any of the Party's rights and/or obligations under this Agreement to any person without the prior written consent of all other Parties. Subject to the immediately preceding sentence, this Agreement will be binding on the Parties and their respective administrators, successors, and permitted assigns and will inure to their benefit. The Parties will execute all documents or instruments and will perform all lawful acts necessary or appropriate to carry out the intent of this Agreement. All exhibits, schedules, instruments, and other documents referenced in this Agreement are part of this Agreement.

8.2 Notices; Severability; Remedies. Any notice will be deemed given when personally delivered or delivered by facsimile or email transmission (with electronic confirmation of delivery), or will be deemed given three days following delivery of the notice by U.S. mail, certified, return receipt requested, postage prepaid, by the applicable Party to the address shown in Appendix A (or any other address that a Party may designate by notice to the other Parties), unless that day is a Saturday, Sunday, or legal holiday, in which event it will be deemed delivered on the next following business day. Each provision contained in this Agreement will be treated as a separate and independent provision. The unenforceability of any one provision will in no way impair the enforceability of any other provision contained herein. Any reading of a provision causing unenforceability will yield to a construction permitting enforcement to the maximum extent permitted by applicable law. Subject to the terms and conditions contained in this Agreement, each Party will pay all wages and benefits due the Party's personnel, including, without limitation, overtime, workers' compensation, and death benefits. If a Party breaches and/or otherwise fails to perform any of the Party's representations, warranties, covenants, and/or obligations under this Agreement, the non-defaulting Party(ies) may, in addition to any other remedy provided to the non-defaulting Party(ies) under this Agreement, pursue all rights and remedies available to the non-defaulting Party(ies) under this Agreement and/or at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.

8.3 Waiver; Entire Agreement; Amendment; Counterparts. Notwithstanding anything contained in this Agreement to the contrary, no provision of this Agreement may be modified, waived, and/or discharged unless such waiver, modification, and/or discharge is agreed to in writing by the Parties. No waiver by a Party at any time of the breach of, or lack of compliance with, any conditions or provisions of this Agreement will be deemed a waiver of other provisions or conditions hereof. This Agreement contains the entire agreement and understanding between Parties with respect to the subject matter of this Agreement and contains all the terms and conditions of the Parties' agreement and supersedes any other oral or written negotiations, discussions, representations, and/or agreements. No addition, modification, amendment, or alteration to this Agreement will be effective against the Parties unless specifically agreed upon in writing and signed by the Parties. The Parties may execute this Agreement by electronic means or deliver executed signature pages to this Agreement by electronic means to the other party, and the electronic signature and/or copy will be deemed to be effective as an original. This Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute one agreement with the same effect as if the parties had signed the same signature page.

8.4 Applicable Law; Venue; Attorney Fees. This Agreement will be construed, applied, and enforced in accordance with the laws of the State of Oregon. Any action or proceeding arising out of this Agreement will be litigated in courts located in Crook County, Oregon. Each Party consents and submits to the jurisdiction of any local, state, or federal court located in Crook County, Oregon. With respect to any dispute relating to this Agreement, or if a suit, action, arbitration, or other proceeding of any nature whatsoever is instituted to interpret or enforce the provisions of this Agreement, including, without limitation, any proceeding under the U.S. Bankruptcy Code and involving issues peculiar to federal bankruptcy law or any action, suit, arbitration, or proceeding seeking a declaration of rights or rescission, the prevailing Party will be entitled to recover from the losing Party(ies) its reasonable attorney fees, paralegal fees, expert fees, and all other fees, costs, and expenses incurred in connection therewith, as determined by the judge or arbitrator at trial, arbitration, or other proceeding, or on any appeal or review, in addition to all other amounts provided by law.

8.5 Legal Representation. The Parties have thoroughly reviewed this Agreement with their own legal counsel or have knowingly waived their right to do so. The rule of construction that a written instrument is construed against the party preparing or drafting such agreement will specifically not be applicable in the interpretation of this Agreement and any documents executed and delivered pursuant to, or in connection with, this Agreement.

8.6 Person; Interpretation; Signatures. For purposes of this Agreement, the term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, and/or any other entity. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the Parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be binding and effective for all purposes as of the Effective Date.

LAKEVIEW:
Town of Lakeview,
an Oregon municipal corporation

BURNS:
City of Burns,
an Oregon municipal corporation

By: _____
Its: _____

By: _____
Its: _____

Dated: _____

Dated: _____

BAKER:
Baker City,
an Oregon municipal corporation

By: _____
Its: _____
Dated: _____

Appendix A
Definitions

"Agreement" has the meaning assigned to such term in the preamble.

"At-Large Member" has the meaning assigned to such term in Section 3.1.

"Baker" has the meaning assigned to such term in the preamble.

"Board" has the meaning assigned to such term in Section 3.1.

"Borrowed Consultant" has the meaning assigned to such term in Section 5.6.

"Borrowed Employee" has the meaning assigned to such term in Section 5.5.

"Borrowed Employer" has the meaning assigned to such term in Section 5.5.

"Budget" has the meaning assigned to such term in Section 5.1.

"Burns" has the meaning assigned to such term in the preamble.

"Bylaws" has the meaning assigned to such term in Section 3.3.3.

"Capital Equipment" means an article of nonexpendable, tangible property with a useful life of more than one year, and an acquisition cost of \$5,000 or more per unit, needed by the Parties for Consortium Services.

"Consortium" has the meaning assigned to such term in Section 2.1.

"Consortium Consultant" has the meaning assigned to such term in Section 5.6.

"Community Development Project(s)" means an undertaking or activity of a Party to improve social, economic, physical, and environment well-being within the Party's incorporated limits, but does not include a Housing Development Project.

"Contribution" has the meaning assigned to such term in Section 5.2.

"Contribution Percentage(s)" has the meaning assigned to such term in Section 5.2.

"Cure Period" has the meaning assigned to such term in Section 7.3.2.

"Default Notice" has the meaning assigned to such term in Section 7.3.2.

"Dissolution Manager(s)" has the meaning assigned to such term in Section 7.4.1.

"Eligible Entity(ies)" means any Oregon county, city, port, school district, community college district, and all other public or quasi-public corporation (including an intergovernmental entity or council of governments) permitted to become a party to an intergovernmental agreement and ORS chapter 190 organization under applicable Oregon law.

"Effective Date" has the meaning assigned to such term in the preamble.

"Housing Development Project(s)" means an undertaking or activity that is primarily concerned with the construction of new housing and/or rehabilitation of existing housing within a Party's incorporated limits.

“Initial Term” has the meaning assigned to such term in Section 7.1.

“Lakeview” has the meaning assigned such term in the preamble.

“Law(s)” mean all federal, state, and/or local laws, statutes, ordinances, and/or regulations directly or indirectly affecting and/or applicable to this Agreement, Consortium, and/or Consortium’s services and/or activities, including, without limitation, the Americans with Disabilities Act of 1990 (and the rules and regulations promulgated thereunder) and ORS chapter 190, all as now in force and/or which may hereafter be amended, modified, enacted, or promulgated.

“Law Firm” has the meaning assigned to such term in Section 8.5.

“Managing Director” means the employee or consultant responsible for Consortium’s operational management and administration and implementation of Consortium’s policies and directives established from time to time by the Board.

“Party(ies)” means Burns, Lakeview, and/or Baker, individually and collectively.

“Project(s)” means Community Development Projects and/or Housing Development Projects.

“Project Proposal” means a written request containing the specific scope and project background from a Party to generate a Statement of Work for a proposed Project.

“Project Sponsor” means a Party who submits a Project Proposal and executes a Task Order.

“Representative(s)” mean the officers, employees, volunteers, and authorized representatives of Consortium and/or a Party.

“Services” has the meaning assigned to such term in Section 4.2.2.

“Standing Member” has the meaning assigned to such term in Section 3.1.

“Statement of Work” means a document signed by the Party’s then-appointed city or town manager and the Managing Director, which explains requirements, objectives, desired outcomes, proposed staff mix and budget estimate for the proposed Project.

“Grant” has the meaning assigned to such term in Section 5.2, and includes the grant appropriated to the Oregon Department of Administration Services in House Bill 3138 for housing development.

“Task Order” means a contract between the Consortium and a Project Sponsor that provides the specific Project’s scope, cost, and schedule.

Schedule 4.2.2
Managing Director Services

Subject to the terms and conditions contained in this Agreement, the Managing Director will provide the following project services:

I. General.

1. Annual Budget. Prepare and present Consortium's annual budget to the Board.
2. Personnel. If additional Consortium employees and/or contractors are approved by the Board, recruitment and hiring of additional employees and/or contractors.

II. Housing Development.

1. Concept Development. Assist private applicants and the Parties with housing concepts for proposed master planned communities, neighborhoods, individual home site and infill development for missed use residential/commercial and/or industrial areas.
2. Pre-development Coordination. Facilitate initial planning/scoping meetings by pre-screening Housing Development Projects to determine the types of permits, financing, and other necessary resources.
3. Land Use and Development Planning. Assist private developers and individual applicants through the development process. Duties include, but are not limited to assisting with the following:
 - a. Land use and site design reviews;
 - b. Master planned development applications;
 - c. Floodplain, geo-hazard, and other environmental permitting;
 - d. Urban renewal applications;
 - e. Zoning and annexation;
 - f. Transportation system plan updates;
 - g. Utility overlays (water, sewer, storm water, reclaimed water, power, broadband);
 - h. Community development overlays (recreation, tourism, and public benefit amenities);
 - i. Housing Development Project management (milestone planning, synchronizing public and private developments); and
 - j. Financing strategies (capital finance, economic modeling, grant and loan administration, and other advisory services)
4. Development Oversight and Risk Mitigation. Assist Parties with independent verification and validation that housing developments meet the terms of their land use agreements to ensure developments are implemented effectively and in compliance with approved plans.
5. Community Engagement. Execute housing project strategic messaging and public information through project websites, social media, public meetings/stakeholder engagement, written materials and radio broadcasts.
6. Staff Assistance. Leverage the unique skillsets and staff capabilities of each Party to provide services to the three Parties' communities.
7. Professional Service Agreements. Issue bi-annual requests for qualifications for professional services firms and leverage existing contracts of each Party on behalf of all Parties to select the optimal firm for a project.

III. Community Development.

1. Capital Improvement Project Assistance. Assemble capital improvement projects groups by identifying the appropriate mix of public staff and professional consultants to assist each Party with strategic planning, capital improvement project management, capital finance, auditing, and regulatory compliance.

Schedule 5.2.2
Contribution Percentages

Unless and until modified in accordance with this Agreement, each Party will pay the Party's percentage of all Consortium costs and expenses identified in the approved Budget in accordance with the following:

<u>Party</u>	<u>Percentage of Operational Expenses</u>
Burns	1/3 or 33.3%
Lakeview	1/3 or 33.3%
Baker	1/3 or 33.3%
Total Contribution	3/3 or 100%

Exhibit A
Bylaws

[attached]

Schedule 5.9
Initial Projects

Initial projects identified by the Parties for their respective jurisdictions are identified in Table 5.9.1. Project improvements may include, but are not limited to: land acquisition of developable lands; construction of horizontal improvements in the form of water, sewer, stormwater, reclaimed water, power, broadband, and other utilities; streets, sidewalks, and multimodal paths within, and adjacent to, and connecting to each development, and; construction of vertical improvements in the form of single-family or multifamily residential dwellings or mixed-use developments.

Table 5.9.1. Initial Projects identified for inclusion in R3

Party	Project Name	Project Description	Land Area (Acres)	New Housing Units
Burns	Miller Springs	Master Planned Development	1,272	675
Burns	Telos Development	New mixed-income subdivision	60.59	180+
Burns	Downtown Revitalization (Multiple Properties)	Mixed-use Redevelopment	TBD	TBD
Lakeview	Lakeview Lumber Redevelopment	Master Planned Development	TBD	TBD
Lakeview	Creekside Subdivision	Residential Development	4.5	18
Baker	Baker School District Teacher Housing	New workforce housing	TBD	TBD
Baker	Pine-Eagle School District Teacher Housing	New workforce housing	TBD	TBD
Baker	New Directions NW Supportive Housing (Memory Lane Homes)	New transitional housing	0.75	12
Baker	Downtown Revitalization (Multiple Properties)	Mixed-use redevelopment	TBD	TBD

Cover Letter

Proposal for Annual Independent Auditor Services
For Regional Rural Revitalization (R3) Strategies Consortium

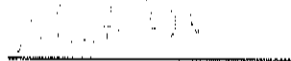
Presented by:

Gaslin Accounting CPAs PC
2550 Broadway St.
Baker City, OR 97814

Firm License Number 2832 with the Oregon Board of Accountancy

Contact Name: Robert Gaslin, CPA
Contact Phone Number: 541-523-6471

Respectfully Submitted:



Robert Gaslin, President
Licensed Municipal Auditor number 1445

March 9, 2024

Item 2: Firm Information:

- a. Gaslin Accounting CPAs PC is a firm owned by a Certified Public Accountant and is licensed to practice in Oregon. The Firm license number is 2832 with the Oregon Board of Accountancy.
- b. The Firm, Gaslin Accounting CPAs PC, its owner and its employees are independent of R3.
- c. The address of the Firm is 2550 Broadway St., Baker City, OR 97814 and it, or its predecessor organizations, have been located at this address for 20 years.
- d. The Firm is comprised of one owner and one non-owner CPA.
- e. The Firm performs municipal audits, reviews, compilations and performs an outsourced accounting function for other municipalities. In addition, many tax returns are prepared for both businesses and individuals.
- f. The Firm has the availability of staff to perform this audit.

Item 3: Experience with Government Audits:

The Firm currently provides audit services to many government entities including:

- a. City of Halfway (Audit)
- b. City of Haines (Audit)
- c. Baker County Library District (Audit)

References:

- a. Salli Hysell, City Recorder, City of Halfway
Phone number: 541-742-4741
- b. Valerie Russell, City Clerk, City of Haines
Phone number: 541-856-3366
- c. Christine Hawes, Business Manager, Baker County Library District
Phone number: 541-523-6419

Item 4: Key Staff

- a. Robert Gaslin, CPA, is the Firm managing principal with more than 15 years of diverse auditing and accounting experience including governmental entities, including the performance of single audits. All of Robert's audit experience has been in Oregon.
- b. Stan Mitchell, CPA, has more than 25 years of diverse auditing and accounting experience which includes governmental entities, including the performance of single audits. Most of Stan's audit experience has been in Oregon.

Item 5: Quality Control Review

Accompanying this proposal is the Firm's most recent peer review report, which provides a clean opinion.

Item 6: Disclosures

There are no known or expected judgements, pending or expected litigation or other real or potential financial reversals that may affect the stability of the Firm.

Item 7: Subcontractors

We do not intend to use any subcontractors on this audit.

Item 8: Rates

The fees described in the spreadsheet below represent the not-to-exceed price that the firm is proposing for the Consortium. There are no additional out-of-pocket charges or other costs that would be billed to the consortium.

The fees presented below are separated by audit work, Single Audit work and financial statement preparation as required by the proposal, however, due to the efficiencies generated by doing both the audit work and the financial statement preparation, the proposal is for both services only, the Single Audit would only be billed for if required.

Cost Allocation	FY 2024	FY 2025	FY 2026
Financial Statement Audit	\$ 18,000	\$ 19,000	\$ 20,000
Single Audit (if needed)	6,000	6,500	7,000
Annual Financial Report Preparation	4,000	3,000	3,500
Totals	\$ 28,000	\$ 28,500	\$ 30,500

Item 9: Firm's Audit Approach:

The Firm performs audits to ensure that both the regulatory requirements of the entity are met and to ensure that the needs of each organization and its staff are met. Client service is extremely important to us and we strive to meet client demands whenever possible. Therefore, the timelines that follow are flexible to the needs of your organization and its staff.

- a. It is typical of the Firm to spend a day in the client's office shortly before or after year end to perform interim testing of internal controls. What this means is that in July/August, staff would come out on a day that works for Consortium staff to review processes and policies for various functions, as well as to conduct limited testing on these functions. We are able to provide lists of specific required items in advance to aid in the flow of the audit work.
- b. In September/October, at a time mutually agreed upon, we would come out with two team members and spend about three or four days conducting the bulk of the audit work.
- c. Once field work is complete, we would expect to wrap up the audit within 60 days, with the expectation of follow-up questions.

- d. After the conclusion of fieldwork, we are happy to comment on any areas we believe could be improved and are always willing to address specific questions during the performance of the work.
- e. The audit workpapers are reviewed by the principal and then the report receives a second review by a different CPA to ensure that all quality requirements are met.
- f. We would plan to present the audit report at the appropriate Consortium board meeting.

Additional Staff Information:

Robert Gaslin, CPA

Robert graduated from George Fox University in 2005 with a BA in accounting and finance. Upon graduation he worked for Moss Adams in Portland, Oregon, earning his CPA certificate in 2007. While at Moss Adams, he worked on many large cities, counties and not-for-profit organizations. In 2008, he moved to Baker City and worked for Guyer and Associates performing a full range of accounting work including taxes, audits and financial statement preparation. In 2012, he started his own small CPA firm called Gaslin Accounting, which he did on a part-time basis while working full-time for Saint Alphonsus Medical Center – Baker City as the chief financial officer. In 2018 Robert purchased an existing CPA firm in Baker City and has continued providing accounting, assurance and tax services numerous clients including municipalities.

Stan Mitchell, CPA

Stan attended CSU Fresno, graduating in December 1986. While at CSU Fresno, he was a member and active participant in Beta Alpha Psi, the national accounting fraternity. After graduation he worked for fourteen years at M. Green and Company, CPAs. Stan received his CPA certificate in 1989. Stan relocated to Baker City in December 2000 and continued his accounting career at Guyer and Associates, CPAs. In 2002 Stan started his own firm, eventually merging with Bruce Nichols CPA in January 2005. In 2018 the successor firm, Nichols and Mitchell, was purchased and became Gaslin Accounting CPAs PC. Stan has continued his career with the successor firm until present.



Nickolas Green <nick@catalyst.win>

R3 Invoice - Catalyst - February 2024

4 line(s) displayed

Nicholas Green <nick@catalyst.win>
To: Anna Bass <abass@solutionscpas.com>
Cc: Heather Smith <hsmith@cityofburnsor.gov>, Loran Joseph <ljoseph@bakercity.gov>, kdelter@townoflakeviewor.gov

Mon, Mar 4, 2024 at 8:45 AM

Good morning Anna,

I've attached my invoice for February's services.

I'll put this on the board's consent agenda for approval at our March 18 meeting.

For the board members, this is the first invoice that includes project-specific billing and costs from our subs. Anna and I came up with the following process to expedite approval:

- 1) I will review all invoices as they come in and apply a digital stamp if the costs are approved (in Green). The stamp includes the corresponding line item in our budget, so Anna will know where to code the expenses in the General Ledger.
2) I have the authority to approve costs under \$25,000 (that are not my invoices). These will be provided to the board as a monthly summary of expenditures but will not come to the board for approval.
3) Costs over \$25,000 (and my invoices) will go to the Board for approval.
4) Costs that are paid per our professional services agreements (like the fixed payments to Western Design International and Solutions, for example) we will process as they come in since you already approved the expenditures when you approved their agreements, but we will also provide to them to board as part of the Budget to Actual report so you'll see them. That way, we won't be delaying payment, but the board will be able to see our progress payments and burn rate for each expenditure line in the budget.

I've attached three invoices, a copy of our budget worksheet, and the budget to actual report so you can review them at your leisure. We will review this again during our March 18 meeting.

Thanks, and please let me know if you have any questions.

Nick Green | President
Tel. (541) 620-2809



5 attachments

- Solutions #16277 - Approved.pdf 185K
Inv_21173_from_Signature_Design_Group_Inc_195684 - Approved.pdf 188K
INV-00155 - February 2024 - Approved.pdf 509K
23-24 Budget Worksheet 030124.pdf 52K
R3 Budget to Actual 030124.pdf 48K

Heather Smith <hsmith@cityofburnsor.gov>
To: Nick Green <nick@catalyst.win>
Cc: Anna Bass <abass@solutionscpas.com>, Loran Joseph <ljoseph@bakercity.gov>, kdelter@townoflakeviewor.gov

Mon, Mar 4, 2024 at 10:51 AM

Thank you Nick! Your organization is so appreciated!

Heather :)

<Solutions #16277 - Approved.pdf><Inv_21173_from_Signature_Design_Group_Inc_195684 - Approved.pdf><INV-00155 - February 2024 - Approved.pdf><23-24 Budget Worksheet 030124.pdf><R3 Budget to Actual 030124.pdf>

Anna Bass <abass@solutionscpas.com>
To: Heather Smith <hsmith@cityofburnsor.gov>, Nick Green <nick@catalyst.win>
Cc: Loran Joseph <ljoseph@bakercity.gov>, kdelter@townoflakeviewor.gov

Mon, Mar 4, 2024 at 10:55 AM

Thanks Nick!

Heather, once we have \$\$, check stock and stamps, I'll print out the payments and get them sent to you for signature. I'll include a copy of the invoice so you know what is being paid for, but you are free to shred it as I'll have a copy in our office.

AB

Anna Bass
Solutions CPAs
101 NE First Ave
John Day OR 97845
ph: 541-575-2717
fx: 541-575-2718

Confidentiality Notice: This page and any accompanying documents contain information that is confidential, privileged, or exempt from disclosure under applicable law and is intended for the exclusive use of the addressee. This information is private and protected by law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of the contents of this information in any manner is strictly prohibited.

From: Heather Smith <hsmith@cityofburnsor.gov>
Sent: Monday, March 4, 2024 10:51 AM
To: Nick Green <nick@catalyst.win>
Cc: Anna Bass <abass@solutionscpas.com>, Loran Joseph <ljoseph@bakercity.gov>, kdelter@townoflakeviewor.gov <kdelter@townoflakeviewor.gov>
Subject: Re: R3 Invoice - Catalyst - February 2024

5 line(s) displayed

Heather Smith <hsmith@cityofburnsor.gov>
To: Anna Bass <abass@solutionscpas.com>
Cc: Nick Green <nick@catalyst.win>, Loran Joseph <ljoseph@bakercity.gov>, kdelter@townoflakeviewor.gov

Mon, Mar 4, 2024 at 12:20 PM

Thank you! You're both amazing!

Regional Rural Revitalization Strategies Profit & Loss Budget vs. Actual July 1, 2023 through March 15, 2024

	Jul 1, '23 - Mar 15, 24	Budget	\$ Over Budget	% of Budget
Income				
9 - Revenues				
9000 - Net Working Capital	0.00	0.00	0.00	0.0%
9010 - Private Grant Income	0.00	0.00	0.00	0.0%
9030 - State Grant Income	10,000,000.00	10,000,000.00	0.00	100.0%
9050 - Federal Grant Income	0.00	0.00	0.00	0.0%
9100 - Interest Income	0.00	2,000.00	-2,000.00	0.0%
9110 - Miscellaneous Income	20.00	0.00	20.00	100.0%
Total 9 - Revenues	10,000,020.00	10,002,000.00	-1,980.00	100.0%
Total Income	10,000,020.00	10,002,000.00	-1,980.00	100.0%
Expense				
2 - Materials & Services				
2000 - Advertising	0.00	2,000.00	-2,000.00	0.0%
2005 - Audit	0.00	28,000.00	-28,000.00	0.0%
2010 - Dues & Subscriptions	823.00	2,000.00	-1,177.00	41.2%
2020 - Insurance	0.00	2,000.00	-2,000.00	0.0%
2025 - Implementation Grants	0.00	750,000.00	-750,000.00	0.0%
2030 - Meetings & Conventions	0.00	2,000.00	-2,000.00	0.0%
2040 - Legal	12,573.60	20,000.00	-7,426.40	62.9%
2050 - Miscellaneous Expense	0.00	1,000.00	-1,000.00	0.0%
2060 - Operating Supplies	74.98	1,000.00	-925.02	7.5%
2070 - Other Professional Services	68,715.00	110,000.00	-41,285.00	62.5%
2080 - Postage	68.00	500.00	-432.00	13.6%
2090 - Programmer Services/Software	0.00	500.00	-500.00	0.0%
2100 - TO-2024-01 - Readiness	0.00	340,000.00	-340,000.00	0.0%
2125 - TO-2024-02 - Home Design	61,525.00	235,000.00	-173,475.00	26.2%
Total 2 - Materials & Services	143,779.58	1,494,000.00	-1,350,220.42	9.6%
3 - Capital Outlay				
3000 - Property Purchase	0.00	450,000.00	-450,000.00	0.0%
Total 3 - Capital Outlay	0.00	450,000.00	-450,000.00	0.0%
5 - Contingency				
5000 - Operating Contingency	0.00	224,100.00	-224,100.00	0.0%
Total 5 - Contingency	0.00	224,100.00	-224,100.00	0.0%
6 - Reserve Fund Balance				
6000 - Unappropriated Ending Balance	0.00	7,833,900.00	-7,833,900.00	0.0%
Total 6 - Reserve Fund Balance	0.00	7,833,900.00	-7,833,900.00	0.0%
Total Expense	143,779.58	10,002,000.00	9,858,220.42	1.4%
Net Income	9,856,240.42	0.00	9,856,240.42	100.0%

REGIONAL RURAL REVITALIZATION STRATEGIES

DETAIL EXPENDITURES

APPROVED/ADOPTED BY

BUDGET COMM:

Fund: 01

GENERAL

BOARD:

WORKING - activity starting in Sept 2023

HISTORICAL DATA		CURRENT YEAR		ACCT NO.	DESCRIPTION	BUDGET FOR 2023-2024	
ACTUAL		BUDGET	ESTIMATED			23-24	
20-21	21-22	22-23	REV/EXP				
				2	MATERIALS & SERVICES		
-	-	-	-	2000	ADVERTISING	2,000	
-	-	-	-	2005	AUDIT/REVIEW	28,000	quote from Gaslin Accting
-	-	-	-	2010	DUES AND SUBSCRIPTIONS	2,000	
-	-	-	-	2020	INSURANCE	2,000	
-	-	-	-	2025	IMPLEMENTATION GRANTS	750,000	
-	-	-	-	2030	MEETINGS & CONVENTIONS	2,000	
-	-	-	-	2040	LEGAL	20,000	Berry,Elsner & Hammond
-	-	-	-	2050	MISCELLANEOUS EXPENSE	1,000	
-	-	-	-	2060	OPERATING SUPPLIES	1,000	
-	-	-	-	2070	OTHER PROFESSIONAL SERVICES	110,000	Catalyst/Solutions
-	-	-	-	2080	POSTAGE	500	
-	-	-	-	2090	PROGRAMMER SERVICES/SOFTWARE	500	
-	-	-	-	2100	TO-2024-01 - READINESS	340,000	
-	-	-	-	2125	TO-2024-02 - HOME DESIGN	235,000	
					TOTAL MATERIALS & SERVICES	1,494,000	
				3	CAPITAL OUTLAY		
-	-	-	-	3000	PROPERTY PURCHASE	450,000	
					TOTAL CAPITAL OUTLAY	450,000	
				5	CONTINGENCY - NONDEPARTMENTAL		
-	-	-	-	5000	OPERATING CONTINGENCY	224,100	15% of Materials & Services
					TOTAL CONTINGENCY FUNDS	224,100	
				6	RESERVED FUND BALANCE		
-	-	-	-	6000	UNAPPROPRIATED ENDING FUND BALANCE	7,833,900	
					TOTAL UNAPPROPRIATED FUNDS	7,833,900	
					TOTAL EXPENDITURES & CONTINGENCY	10,002,000	
				9	REVENUES		
-	-	-	-	9000	NET WORKING CAPITAL	-	
-	-	-	-	9010	PRIVATE GRANT INCOME	-	
-	-	-	-	9030	STATE GRANT INCOME - DAS 107-023-3410-01	10,000,000	
-	-	-	-	9050	FEDERAL GRANT INCOME	-	
-	-	-	-	9100	INTEREST INCOME	2,000	
-	-	-	-	9110	MISC INCOME	-	
					TOTAL REVENUES	10,002,000	
					FUND: 01 GENERAL SUMMARY		
					TOTAL EXP. BUDGET	10,002,000	
					TOTAL REV. BUDGET	10,002,000	