



Memorandum Date: June 8, 2018

Order Date: June 19, 2018

TO: Board of County Commissioners

DEPARTMENT: County Administration

PRESENTED BY: James Chaney, Assistant County Counsel, Interim Courthouse Project Manager

AGENDA ITEM TITLE: ORDER / IN THE MATTER OF APPROVING THE LANE COUNTY COURTHOUSE FUNDING AGREEMENT WITH THE OREGON DEPARTMENT OF ADMINISTRATIVE SERVICES AND OREGON JUDICIAL DEPARTMENT FOR PHASE I OF THE LANE COUNTY COURTHOUSE PROJECT, AND GRANTING AUTHORITY TO THE COUNTY ADMINISTRATOR TO EXECUTE DOCUMENTS RELATED TO THE AGREEMENT.

I. MOTION

Move to approve the Lane County Courthouse Funding Agreement with the Oregon Department of Administrative Services and Oregon Judicial Department for Phase I of the Lane County Courthouse Project, and to grant authority to the County Administrator to execute documents related to the Agreement.

II. AGENDA ITEM SUMMARY

The Board is being asked to approve the agreement with the Oregon Department of Administrative Services (DAS) and the Oregon Judicial Department (OJD) for state funding of the Lane County Courthouse Project.

Article XI-Q of the Oregon Constitution grants the Oregon Legislature authority to borrow money to finance real property that is, or will be, owner or operated by the State of Oregon. Commencing in 2013, the Legislature has used its authority under this Article to issue bonds to fund the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF). OCCCIF funds can be used exclusively for projects to replace structurally- or life-safety defective courthouses, and provide a 50% match with local funds to construct those portions of courthouses used by OJD and other state agencies.

Commencing in 2014, the Board has sought funding from the Oregon Legislature to support the replacement of the current Lane County Courthouse, which suffers from significant life-safety deficiencies and is structurally inadequate to resist seismic forces. In 2016 and 2017, the Legislature authorized \$1.4 million and \$5.0 million allocations of

OCCCIF funds to Lane County to provide 50% matching for up to \$12.8 million in Phase I costs for replacement of the Lane County Courthouse. The first \$1.4 million in bonds have been sold and the money deposited into the OCCCIF.

The agreement submitted with this memo to the Board includes the total of \$6.4 in funds already authorized for Phase I of the project. Under the agreement, Phase I of the project involves procurement of the project site, initial project design, technical services, and project management. Phase II would include final design, permitting, construction, and occupancy, which would be added to this agreement by amendment once additional funds are appropriated in future sessions of the Legislature to support this project.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

- 2014 Board work session on the concept of a potential partnership with Eugene that could include a new County Courthouse, followed by joint public hearing with Eugene City Council related to the siting of a new County Courthouse, City Hall, and other public facilities.

Board sends letter to Oregon Chief Justice Ballmer requesting \$1,400,000 in matching funds for costs related to replacement or improvement of the County Courthouse.

Board approved \$168,000 contract with the National Center for State Courts for courthouse planning and space programming services.

- 2016 Oregon Legislature approves sale of XI-Q bonds including \$1.4 million for costs related to replacement of the Lane County Courthouse.

Board work session on Courthouse, City Hall, and farmers market siting options, followed by authorization to negotiate of a property exchange with City of Eugene for butterfly lot and former city hall lot properties.

- 2017 Board sends letter to co-chairs of the Oregon Legislature's Ways and Means committee requesting additional funding for the Lane County Courthouse project.

Oregon Legislature approves sale of XI-Q bonds including an additional \$5.0 million for costs related to replacement of the Lane County Courthouse.

Lane County and City of Eugene execute purchase and sale agreement for sale and exchange of butterfly lot and former city hall lot properties.

- 2018 Lane County and City of Eugene amend purchase and sale agreement to extend deadline to December 1, 2018.

B. Policy Issues

The Courthouse project is part of the County's continuous effort to protect the public's assets by maintaining, replacing, or upgrading the County's investments

in capital infrastructure, and identifying ways to improve space and facilities conditions to better serve citizens, minimize utility and maintenance costs, and provide an environment conducive to high employee productivity. In addition, replacement of the Courthouse provides an opportunity to leverage the County's resources by partnering with the State to make significant improvements in the system of justice, and in partnership with the City of Eugene to significantly improve accessibility and use of downtown public facilities.

C. Board Goals

This action is consistent with the strategic priorities contained in the Lane County 2018-2021 Strategic Plan, including:

Strategic priority 1: Safe, healthy county. Provides improved resources for public safety service delivery and reduced incarceration and recidivism.

Strategic priority 3: Robust infrastructure. Provides for funding and development of new facilities to support safety and livability.

D. Financial and/or Resource Considerations

Under the terms of the XI-Q funding, the receiving county must deposit its 50% of the total estimated costs of that phase of the project with the State into the OCCCIF. The deposit can be made in any form of money, including the value of land purchased by the County as the site for the courthouse (so long as the OJD approves the land as the site for the courthouse). For the first \$1.4 million authorized and available, the County is responsible to transfer an equal \$1.4 million amount to the OCCCIF.

Both possible sites for the new Courthouse—the butterfly lot and the former city hall lot—have been approved by OJD as sites for the Courthouse. If the proposed sale and exchange with the City of Eugene is finalized and the County purchases the former city hall lot, the \$4.0 million paid to the City would be considered part of the County's 50% matching funds. Conversely, if the County does not purchase the former city hall lot, and opts to build the new Courthouse on the butterfly lot, the value of the butterfly lot would not be considered to be part of the County's match, as the lot was not "purchased by the County as the site for the Courthouse," but was actually owned by the County prior the selection as a site.

Thus, if the OCCCIF agreement is approved, a corresponding amount of County funds will be required to be assigned from the County's capital fund budget. The County capital fund budget is funded primarily by depreciation charges to departments based upon their space usage within County facilities, on a square footage basis. The Fund receives approximately \$2.8 million annually from those charges. The Fund may also receive transfers of money by order of the Board, and prepayments from departments. The use of these funds for the new Courthouse, that will also house Sheriff's Office and District Attorney functions is appropriate.

E. Health Implications

The Courthouse project will provide a substantially improved work and service environment for both the public and for State and County employees, by moving services from a facility with substantial structural limitations, life-safety deficiencies, and security control challenges.

F. Analysis

The County Courthouse is in serious need of replacement, for multiple reasons including safety, security, efficiency, and access to justice for the public. Beyond the basic structural and life-safety issues, the inefficiencies of operating a court system in a building that was not intended for intensive use as a court facility in an age of heightened security are overwhelming. Moreover, there is a consensus that—even if it were possible to vacate the building on a temporary basis to allow for modifications—that the existing building could not economically be brought up to the minimum standards necessary for a modern court facility.

The present availability of Article XI-Q funding provides a substantial opportunity for the County to leverage its limited resources to be able to construct a new facility for a substantially reduced cost, provided that the Legislature remains confident that the County is moving ahead on the project. Acceptance of the funds and continued project development increases the likelihood that additional funding will be provided by the Legislature.

At the same time, acceptance and use of the funds creates an obligation on the part of the County to set aside \$1.4 million in matching funds and, if the County accepts the second authorization, a further \$5.0 million to continue with the project. Although authorized in the 2017 legislative session, the actual bond sale for the \$5.0 million of addition funds will not take place until the spring of 2019. If the County in the future decides not to continue with the new Courthouse project, the portion of the costs that had been paid by the State from their matching funds would need to be repaid, along with interest and defeasance costs incurred by the State to terminate the funding.

G. Alternatives/Options

The Board of County Commissioners has the following alternatives to approving the Agreement:

1. Approve the order approving the OCCCIF agreement and authorizing the County Administrator to execute the agreement and transfers of matching funds to the OCCCIF.
2. Reject the proposed order, and direct staff to propose alternatives for funding of courthouse planning.

IV. RECOMMENDATION

Staff recommends the Board choose Option 1, approving the OCCCIF agreement and execution of the agreement and transfer of matching funds to the OCCCIF.

V. TIMING/IMPLEMENTATION

If the Board approves the motion, staff will prepare the final OCCCIF agreement for execution by the County Administrator, who shall execute the agreement and such documents as are necessary for transfer of County's matching funds to the OCCCIF.

VI. FOLLOW-UP

As stated above under Timing/Implementation.

VII. ATTACHMENTS

- Proposed Order
- Proposed OCCCIF agreement

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO: _____

IN THE MATTER OF APPROVING THE
LANE COUNTY COURTHOUSE FUNDING
AGREEMENT WITH THE OREGON
DEPARTMENT OF ADMINISTRATIVE
SERVICES AND OREGON JUDICIAL
DEPARTMENT FOR PHASE I OF THE LANE
COUNTY COURTHOUSE PROJECT, AND
GRANTING AUTHORITY TO THE COUNTY
ADMINISTRATOR TO EXECUTE
DOCUMENTS RELATED TO THE
AGREEMENT.

WHEREAS, the County has determined that replacement of the present courthouse is a strategic priority that will provide major benefits to the citizens of Lane County by promoting the safety and health of county residents and developing robust infrastructure to support safety and liveability; and

WHEREAS, pursuant to Article XI-Q of the Oregon Constitution, the Oregon Legislature may use its authority under this Article of the Constitution to issue bonds to fund a portion of county courthouse construction through the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF); and

WHEREAS, in 2016 and 2017, the Legislature authorized \$1.4 million and \$5.0 million allocations of OCCCIF funds to Lane County to provide 50% matching for up to \$12.8 million in Phase I costs for replacement of the Lane County Courthouse; and

WHEREAS, the first \$1.4 million in OCCCIF bonds authorized for the Lane County Courthouse replacement have been sold and the money deposited into the OCCCIF, which may be used to fund the preliminary planning for construction of a new Lane County Courthouse to replace the existing county courthouse building that has been found to be structurally and life-safety deficient; and

WHEREAS, the allocated OCCCIF funds may only be expended after the County has executed an intergovernmental agreement with the State of Oregon and has deposited the County's 50% matching portion of the funds; and

WHEREAS, County staff has negotiated a mutually-acceptable intergovernmental agreement with the Oregon Department of Administrative Services and Oregon Judicial Department for Phase I of the Lane County Courthouse Project, including contributions to and allocation of the OCCCIF fund, a copy of which is attached to this Order as Exhibit A;

NOW, THEREFORE, the Board of County Commissioners of Lane County **ORDERS** as follows:

1. That the County Administrator is authorized to execute the OCCCIF agreement in substantially the form attached to this Order as Exhibit A, and shall direct staff to proceed in accordance with its terms; and
2. The County Administrator is authorized to execute documents necessary to transfer up to \$1.4 million in matching funds to the OCCCIF in accordance with the agreement.

ADOPTED this ____ day of _____, 2018.

Jay Bozievich, Chair
Lane County Board of Commissioners

APPROVED AS TO FORM

Date _____

LANE COUNTY OFFICE OF LEGAL COUNSEL

LANE COUNTY COURTHOUSE FUNDING AGREEMENT – PHASE I

THIS LANE COUNTY COURTHOUSE FUNDING AGREEMENT – PHASE I (this “Agreement”) is made July ____, 2018 (the “Effective Date”), by and among the State of Oregon, acting by and through its Department of Administrative Services (“DAS”) and the Oregon Judicial Department (“OJD”) (together referred to as the “State”), and Lane County, Oregon (the “County”).

Project Summary and Contact Information

Project Title:	Lane County Courthouse
County:	Lane County
Phase I State Funds:	\$6,400,000
Phase I Completion Date:	September 30, 2020
Estimated Project Completion Date:	March 31, 2023
Estimated Project Occupancy Date:	June 30, 2023
Funding Source:	Oregon Article XI-Q Bonds, Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF)
County Contact:	James Chaney, Courthouse Project Manager Phone: (541) 682-3694 Facsimile: (541) 682-2083 Email: james.chaney@co.lane.or.us Address: County Administration 125 E. 8th Avenue Eugene, OR 97401
DAS Contact:	Rhonda Nelson, Capital Finance Analyst Phone: (503) 378-8927 Facsimile: (503) 373-7643 Email: Rhonda.Nelson@oregon.gov Address: 155 Cottage Street NE Salem, OR 97301

OJD Contact: David T. Moon, Director
Business and Fiscal Services Division
Phone: (503) 986-5150
Facsimile: (503) 986-5856
Email: David.T.Moon@ojd.state.or.us
Address: Supreme Court Building
1163 State Street
Salem, OR 97301

Presiding Judge: The Honorable Debra Vogt
Phone: (541) 682-4027
Facsimile: (541) 682-4537
Email: debra.k.vogt@ojd.state.or.us
Address: 125 E. 8th Avenue
Eugene, OR 97401

Trial Court Administrator: Elizabeth Rambo
Phone: (541) 682-4166
Facsimile: (541) 682-4563
Email: elizabeth.rambo@state.or.us
Address: 125 E. 8th Avenue
Eugene, OR 97401

State Project Monitor: Hideto Moriyasu
Phone: (503) 508-4094
Facsimile: (503) 373-7210
Email: hideto.j.moriyasu@oregon.gov
Address: 1225 Ferry St. SE
Suite Upper 100
Salem, OR 97301

Colocation Agency: Office of Public Defense Services,
an agency of the State of Oregon

Colocation Contact: Eric J. Deitrick
Phone: (503) 378-2750
Facsimile: (503) 378-4463
Email: eric.j.deitrick@opds.state.or.us
Address: 1175 Court Street NE
Salem, OR 97301-4030

Terms and Conditions

- 1. Effective Date and Term.** This Agreement is effective as of the Effective Date, such date being the last date all required signatures and approvals were obtained. The term of this Agreement shall be from the Effective Date through the date the parties fulfill their obligations hereunder, unless this Agreement is sooner terminated pursuant to Section 23(b) or 25 below.
- 2. Agreement Documents.** This Agreement consists of the following documents, which are listed in descending order of precedence: this Agreement, less all Exhibits; and attached Exhibit A (Phase I Work); Exhibit B (Phase I Benchmarks); Exhibit C (Initial Plans); Exhibit D (Courthouse Design Criteria); Exhibit E-1 (Description of City Lot); Exhibit E-2 (Description of Butterfly Lot); and Exhibit F (Form of Disbursement Request). The foregoing Exhibits are incorporated herein by this reference.
- 3. Definitions.** Capitalized terms used in this Agreement shall have the meanings defined for such terms in this Section 3, unless the context clearly requires otherwise.

 - (a)** “Act” means Article XI-Q of the Oregon Constitution; Or. Laws 2013, ch. 705; Or. Laws 2013, ch. 723; Or. Laws 2014, ch. 121; Or. Laws 2015, ch. 675; Or. Laws 2016, ch. 118; and any subsequent laws enacted by the Oregon Legislative Assembly that provide funding for, or relate to, the Project.
 - (b)** “Approved Amount” means the State’s Proportionate Share of any amount set forth in a Disbursement Request that the State Project Monitor determines represent Phase I Authorized Costs, pursuant to Section 10 below.
 - (c)** “Butterfly Lot” means that certain improved parcel of real property located on the west side of Oak Street between 7th and 8th Avenues in Eugene, Lane County, Oregon, and described in Exhibit E-2. The Butterfly Lot is owned by the County and is currently used as a parking facility.
 - (d)** “Chief Justice” means the Chief Justice of the Oregon Supreme Court.
 - (e)** “City Lot” means that certain vacant parcel of real property located at 215 E. 8th Avenue in Eugene, Lane County, Oregon, and described in Exhibit E-1. The City Lot is owned by the City of Eugene and was formerly the site of the Eugene City Hall.
 - (f)** “Code” means the Internal Revenue Code of 1986, as amended.
 - (g)** “Colocation Agency” the Office of Public Defense Services, an agency of the State of Oregon.
 - (h)** “Colocation Contact” means the Colocation Agency employee named in the Project Summary and Contact Information above.
 - (i)** “Colocation Lease” means the long-term lease agreement that the County will enter into with the Colocation Agency during Phase II for the County to convey to the Colocation Agency a leasehold interest in the Colocation Premises in the event the parties enter into the Phase II Funding Agreement and the Project is completed.

- (j) “Colocation Premises” means that certain portion of the Project, as generally described in the Initial Plans, that will be the subject of the Colocation Lease.
- (k) “County Default” means any of the occurrences set forth in Section 22 below.
- (l) “Courthouse Design Criteria” means OJD’s “General Facilities Design Assessment Criteria” dated December 2007 and attached as Exhibit D.
- (m) “Defeasance Costs” means the amount sufficient to defease the then-outstanding State Bonds and any costs necessary for such defeasance, plus any principal and interest payments the State has made or will make before the State Bonds are defeased.
- (n) “Disbursement Request” means a request by the County for credit to the Phase I County Contribution and disbursement of Phase I State Funds, substantially in the form of Exhibit F.
- (o) “Estimated Project Completion date” means the date stated above, as amended in accordance with this Agreement.
- (p) “Existing Courthouse” means the building adjacent to the County Public Service Building located at 125 E. 8th Avenue, Eugene, Oregon, in which the Lane County Circuit Court is located as of the Effective Date.
- (q) “Fund” means the Oregon Courthouse Capital Construction and Improvement Fund.
- (r) “Initial Plans” means the plans for the Project as of the Effective Date, as described in Exhibit C.
- (s) “Mediator” means the individual chosen by the parties to mediate a dispute between them pursuant to Section 8(e) below.
- (t) “Misspent Funds” means any Phase I Project Financing spent by the County for any purpose other than paying for Phase I Authorized Costs, or otherwise in violation of this Agreement.
- (u) “OJD Lease” means the long-term lease agreement that the parties will enter into during Phase II for the County to convey to OJD a leasehold interest in the OJD Premises, in the event the parties enter into the Phase II Funding Agreement and the Project is completed.
- (v) “OJD Premises” means that certain portion of the Project, as generally described in the Initial Plans, that will be the subject of the OJD Lease.
- (w) “Phase I” means the period of the Project in which the Phase I Work occurs and Phase I Benchmarks are achieved.
- (x) “Phase I Authorized Costs” means County’s actual, reasonable and necessary capital costs relating to Phase I Work, as set forth more completely in Section 7(b) below.
- (y) “Phase I Authorized State Costs” means the State’s Proportionate Share of the Phase I Authorized Costs.
- (z) “Phase I Benchmarks” means the items set forth in Exhibit B.
- (aa) “Phase I Completion Date” means the date stated above, as amended in accordance with this Agreement.
- (bb) “Phase I County Contribution” means the amount of \$6,400,000.00 that, as of the

Effective Date, the County has agreed to provide for Phase I Authorized State Costs of the Project.

(cc) “Phase I Design Development Documents” means the design development documents for the Project, as defined in Section 2.4.3 of AIA Document B141-1997, to be developed by the County and approved by the State as part of the Phase I Work, and upon which the Project Plans and Specifications will be based.

(dd) “Phase I Project Financing” means the total of the Phase I State Funds and the Phase I County Contribution.

(ee) “Phase I State Funds” means the amount of \$6,400,000.00 that, as of the Effective Date, the State of Oregon has agreed to provide for Phase I Authorized State Costs for the Project, such Phase I State Funds being contributed to the Project as a portion of the consideration for the leasehold interest in the State Premises that the County shall convey to OJD pursuant to the State Leases in the event the parties enter into the Phase II Funding Agreement and the Project is completed.

(ff) “Phase I Work” means the County’s design and engineering work and land use entitlements and other governmental approvals required for the Project, which may include those work items set forth in Exhibit A.

(gg) “Phase II” means the period of the Project in which construction of the Project occurs.

(hh) “Phase II Authorized Costs” means the County’s actual, reasonable and necessary capital costs relating to Phase II Work.

(ii) “Phase II Authorized State Costs” means the State’s Proportionate Share of the Phase II Authorized Costs.

(jj) “Phase II County Contribution” means funding the County agrees to provide for Phase II Authorized State Costs.

(kk) “Phase II Funding Agreement” means the agreement the parties may enter into pursuant to Section 15 below, in order to memorialize their obligations and understandings regarding Phase II.

(ll) “Phase II State Funds” means any amount of State funding approved in future Legislative sessions for Phase II of the Project, as such funds may be realized from the sale of Article XI-Q bonds or other state bonds in 2018 or subsequent years.

(mm) “Phase II Work” means construction of the Project and other, related activities.

(nn) “Presiding Judge” means the Presiding Judge for the Lane County Circuit Court.

(oo) “Project” means the Lane County Courthouse to be constructed on the Project Parcel, in the City of Eugene, Lane County, Oregon, pursuant to the Act and this Agreement, as such Project is described in the Project Application and in the Initial Plans.

(pp) “Project Application” means that certain application for monies from the Fund to be used for the Project, submitted by the County to the Chief Justice on July 25, 2014, and approved by the Chief Justice and DAS on September 23, 2016.

(qq) “Project Budget” means the budget for the construction of the Project, to be developed by the County and approved by the State as part of the Phase I Work.

- (rr) “Project Common Areas” means the areas of the Project, as generally described in the Initial Plans, that will be available for common use by the Project Occupants.
- (ss) “Project Occupants” means the County, OJD and the Colocation Agency and their respective employees, agents, tenants, contractors, guests and invitees.
- (tt) “Project Parcel” means the site of the Project, chosen pursuant to Section 6 below, and any improvements constructed thereon pursuant to this Agreement.
- (uu) “Project Plans and Specifications” means all design documents for the Project, as defined in Section 2.4.2, 2.4.3, and 2.4.4 of AIA Document B141-1997, to be developed by the County and approved by the State as part of the Phase I Work.
- (vv) “Project Schedule” means the schedule for the construction of the Project, to be developed by the County and approved by the State as part of the Phase I Work.
- (ww) “Real Property Termination Interest” means an interest in the Project and the Project Parcel, or in other real property owned by the County and any improvements thereon, that the State may accept from the County in lieu of Defeasance Costs pursuant to Section 26(b) below.
- (xx) “State Bonds” means the Oregon Constitution Article XI-Q general obligation bonds, issued by the State on February 21, 2017, to provide Phase I State Funds for the Project; any Article XI-Q general obligation bonds or other obligations subsequently authorized and issued by the State for the Project, including Phase II State Funds, if any; and any bonds or other obligations issued by the State to refinance the State Bonds.
- (yy) “State Default” means any of the occurrences set forth in Section 24(a) below.
- (zz) “State Leases” means the Colocation Lease and the OJD Lease.
- (aaa) “State Premises” means the Colocation Premises and the OJD Premises.
- (bbb) “State Project Monitor” means the individual named in the Project Summary and Contact Information above, an employee of DAS who, pursuant to an interagency agreement between DAS and OJD, will monitor and review the County’s Project activities and compliance with this Agreement as set forth herein.
- (ccc) “State’s Proportionate Share” means fifty percent (50%), which is the portion of the costs of the Phase I Authorized Costs to be allocated to the Phase I Authorized State Costs, as set forth in Section 7A below.
- (ddd) “Trial Court Administrator” means the OJD employee named in the Project Summary and Contact Information above.
- (eee) “Unspent Funds” means any amounts of the Phase I Project Financing that the County fails to spend during Phase I as provided in this Agreement.

4. Recitals. The parties recite:

- (a) Pursuant to ORS 1.185 and 1.187, OJD operates the State of Oregon’s circuit courts, and the counties in the State of Oregon provide courthouse facilities for the circuit courts.
- (b) The Oregon Legislative Assembly, through the Act, has authorized the sale of Article XI-Q bonds to finance costs related to the acquisition of land for and construction

of courthouses if:

- (i) the Chief Justice determines significant structural defects of a courthouse threaten human health and safety, the construction of a new building is more cost-effective than remodeling or repairing the courthouse, and the replacement of the existing courthouse creates an opportunity for the colocation of other state offices in the courthouse; and
 - (ii) DAS approves the courthouse construction project for which the Article XI-Q bonds will be sold.
- (c) The Act also established the Fund, to hold monies to be used for courthouse construction projects.
- (d) The State of Oregon, pursuant to the Act, has agreed to contribute the Phase I State Funds to the Project as a portion of the consideration for the leasehold interests in the State Premises that the County will convey to OJD and the Colocation Agency pursuant to the State Leases. Specifically, the State is contributing fifty percent (50%) of the Phase I Authorized State Costs, in an amount not to exceed the Phase I State Funds.
- (e) On July, 25 2014, the County submitted the Project Application, which set forth the County's need for the Project and basic Project information.
- (f) On April 4, 2016, at the request of OJD, on behalf of the County and in anticipation of the Project, DAS adopted a "Declaration of Official Intent to Reimburse Capital Costs with Oregon Article XI-Q General Obligation Bonds." This Declaration memorialized DAS's expectation of issuing Article XI-Q bonds for the Phase I State Funds.
- (g) On September 23, 2016, the Chief Justice approved the Project Application and determined that significant structural defects in the Existing Courthouse threaten human health and safety, that construction of a new building to house the Lane County Circuit Court is more cost-effective than remodeling the Existing Courthouse, and that replacement of the Existing Courthouse will create an opportunity for the colocation of other state offices in a newly constructed courthouse.
- (h) On January 9, 2017, DAS approved the Project Application.
- (i) On February 21, 2017, the State of Oregon Treasurer sold \$1.4 million in State Bonds to provide a portion of the Phase I State Funds for the Project.
- (j) The 2017 State Legislature approved an additional \$5 million in Phase I State Funds for the Project, to be included in a State Bond sale in spring of 2019.
- (k) The State of Oregon Treasurer has deposited the net proceeds of the sale of the \$1.4 million in State Bonds into the Fund, and will deposit the net proceeds of the sale of the \$5 million in State Bonds into the Fund, such that it will have deposits the net proceeds of the sale of all of the State Bonds representing the Phase I State Funds.
- (l) The County will meet the Phase I Benchmarks pursuant to Section 14 below, on or before the Phase I Completion Date (as it may be extended by the agreement of the parties).
- (m) Pursuant to Section 15 below, the parties shall enter into the Phase II Funding Agreement, subject to:

- (i) the County meeting the Phase I Benchmarks; and
- (ii) future State and County approvals of appropriations required for Phase II of the Project, in order to memorialize the State's contribution of the Phase II State Funds for the Project and the parties' other obligations and understandings with regard to Phase II.
- (n) The parties expect to execute the State Leases during Phase II.
- (o) The parties estimate that, if they enter into the Phase II Funding Agreement, the Project will be fully constructed on or before the Estimated Project Completion Date.
- (p) The Oregon Legislative Assembly may authorize additional State Funds for the Project, but the State has no present obligation of any kind to provide additional funding, other than the Phase I State Funds.

5. Representations, Warranties and Covenants of the County. The County represents, warrants and covenants, as applicable, as follows:

- (a) This Agreement has been duly authorized by the County and constitutes a valid and binding agreement of the County that is enforceable against the County in accordance with its terms.
- (b) The County has taken all actions required by law for the County to acquire and use the Phase I County Contribution for Phase I, and the Phase I County Contribution is now available, or will be available as needed, to be spent on Phase I.
- (c) The County shall contribute the full amount of the Phase I County Contribution to the Project.
- (d) The County understands, acknowledges and agrees that the State has no obligation of any kind to provide additional funding, other than the Phase I State Funds.
- (e) The County understands, acknowledges and agrees that the State has no obligation of any kind to enter into the Phase II Funding Agreement except as set forth in Section 15 below.
- (f) The County owns fee simple title to the Butterfly Lot, free and clear of all encumbrances other than those listed on Exhibit E-2.
- (g) If the Butterfly Lot is chosen as the Project Parcel pursuant to Section 6 below, the County shall obtain a standard form of title insurance policy for the value of the Butterfly Lot that shows the County owns fee simple title to the Butterfly Lot.
- (h) If the City Lot is chosen as the Project Parcel pursuant to Section 6 below, the County shall obtain a standard form of title insurance policy for the value of the City Lot that shows the County owns fee simple title to the City Lot.
- (i) As of the Effective Date, no litigation or claims (environmental or otherwise) are presently pending against the County regarding the development, construction or use of the Project or the Butterfly Lot. The County shall promptly provide OJD with notice of any litigation or claims (environmental or otherwise) filed during the term of this Agreement against the County regarding the Project or the Project Parcel.
- (j) As of the Effective Date, the County's current employees (except for the

Courthouse Project Manager and the Director of Operations, as set forth in and pursuant to Section 7(b) below) are not eligible for, and the County has not hired, contracted with or made any award to any of its current employees for, any work or materials directly connected to the Project. During the term of this Agreement, the County's then-current employees (except for the Courthouse Project Manager and the Director of Operations) shall not be eligible for, and the County shall not hire, contract with or make any award to any of its then-current employees for, any work or materials that are directly connected to the Project.

(k) Because of the State's contribution of the Phase I State Funds and the parties' intent that the State Premises will be leased to OJD and the Colocation Agency, the County will collaborate and cooperate with OJD and the Colocation Agency regarding the Project Plans and Specifications, the Project Schedule and the Project Budget, as set forth more completely in Section 8 below.

6. Project Parcel. On or before December 31, 2018, the County shall notify the State as to whether the Project Parcel shall be the City Lot or the Butterfly Lot.

7. Phase I Authorized Costs.

(a) **Generally.** Phase I Authorized Costs are the County's actual, reasonable and necessary capital costs of the Phase I Work, and that are:

- (i) authorized under the Act and the laws pertaining to tax-exempt bond financings;
- (ii) permitted by generally accepted accounting principles, consistently applied, as established by the Governmental Accounting Standards Board, as reasonably interpreted by DAS, to be capitalized to an asset that is part of the Project; and
- (iii) eligible for financing with obligations bearing interest that is excludable from gross income under the Code.

(b) **Specific Inclusions.** Phase I Authorized Costs include, without limitation, the following:

- (i) capital costs related to the Phase I Work;
- (ii) costs of the State Project Monitor; and
- (iii) time spent working on the Project by the Courthouse Project Manager the Director of Operations, both employees of the County, provided that such time is charged to the Project on a time-spent basis, rather than as a percentage of such employees' total work for the County; that such charges may only include the actual cost of the employee's compensation (as defined in ORS 652.210(1)), and payments required by law to federal, state, and local governments on the basis of the employee's employment, but may not include any allocation of the County's overhead or other indirect costs; and that such charges may be capitalized pursuant to Section 7(a)(ii) above.

(c) **Specific Exclusions.** For the avoidance of doubt, Phase I Authorized Costs do not

include internal costs charged to the Project by the County, except to the extent that those costs represent out-of-pocket payments to or for the benefit of unrelated parties.

7A. Phase I Authorized State Costs.

(a) **Generally.** The Phase I Authorized State Costs are the State's Proportionate Share of the Phase I Authorized Costs. The Phase I Authorized State Costs represent the portion of the Phase I Authorized Costs that are attributable to the State Premises.

(b) **State's Proportionate Share.** State's Proportionate Share of ____ percent (____%) represents that portion of the Project that the State Premises bears to the overall Project.

8. Collaboration and Cooperation between Parties; Meetings and Documents; Resolution of Disputes.

(a) **Generally.** The development of the Project Plans and Specifications, the Project Schedule and the Project Budget will be a collaborative process between the parties and, with regard to the Colocation Premises, the Colocation Agency (as set forth in Section 8(b)(ii) below). The parties shall use their best efforts to cooperate with each other and the Colocation Agency in order to accomplish the timely completion of the Phase I Work.

(b) **Meetings and Documents.**

(i) The County shall give OJD advance notice of, and opportunity to participate in, any and all meetings (including telephone conferences) that will involve discussions of additions or revisions to the Project Plans and Specifications that would affect the State Premises, the Project Budget, the Project Schedule or the Project Common Areas, and shall promptly deliver to OJD any related documents. For the purposes of this Section 8(b)(i), such notice shall be delivered to the Trial Court Administrator in accordance with the notice provisions of Section 33 below.

(ii) The County shall give the Colocation Agency advance notice of, and opportunity to participate in, any and all meetings (including telephone conferences) that will involve discussions of additions or revisions to the Colocation Premises, and shall promptly deliver to the Colocation Agency any related documents. For the purposes of this Section 8(b)(ii), such notice shall be delivered to the Colocation Contact in accordance with the notice provisions of Section 33 below.

(c) **Resolutions of Disputes by the Parties.** In the event of a dispute under this Section 8, the parties shall attempt in good faith to resolve the dispute within fifteen (15) business days after one party gives notice to the other party of such dispute.

(d) **Resolution of Disputes by Chair of County Commissioners and Chief Justice.** If the parties do not timely resolve a dispute pursuant to Section 8(c) above, then the dispute shall be submitted to the Chair of the Lane County Board of Commissioners and the Chief Justice, or their respective designee, to be resolved within thirty (30) days after submission.

(e) Resolution by Mediator.

(i) If a dispute is not timely resolved pursuant to Section 8(d) above, then it shall be resolved by the Mediator. The Mediator will be chosen by the parties as follows: within ten (10) business days after the expiration of the 30 –day period set forth in Section 8(d) above, the County shall deliver to the State a list of at least three (3) independent and experienced mediators, and within ten (10) business days after such delivery, the State shall notify the County of its choice of the Mediator from said list. Notwithstanding the foregoing, if the County fails to timely deliver the list to the State, then the State may choose an independent and experienced mediator who shall be deemed the Mediator; but if the County does timely deliver the list to the State, and the State fails to timely respond, then the County may choose an independent and experienced mediator who shall be deemed the Mediator.

(ii) Within ten (10) days after the selection of the Mediator pursuant to Section 8(e)(i) above, both parties shall submit position statements regarding the dispute to the Mediator; and within fifteen (15) days after the selection of the Mediator, the parties and the Mediator shall conduct a mediation of the dispute. The Mediator shall issue a decision regarding the dispute within fifteen (15) days after the mediation.

(iii) The parties share equally share all costs and expenses of the Mediator.

9. Phase I County Contribution: Deposits.

(a) **Generally.** In order to receive credits toward the Phase I County Contribution pursuant to Section 10 below, and disbursements from the Phase I State Funds pursuant to Section 11 below, the County shall deposit the full amount of the Phase I County Contribution with OJD. The County shall deposit the Phase I County Contribution as a direct transfer of funds, pursuant to Section 9(b) below. However, if the City Lot is purchased for the Project Parcel, the County shall receive a credit for the value of the City Lot as provided in Or. Laws 2013, ch. 705 and Section 9(c) below. The County may deposit the full amount of the Phase I County Contribution in one or more installments and using any combination of deposits allowed under Sections 9(b) and 9(c) below.

(b) Direct Transfer of Funds.

(i) The County may transfer to OJD any amount of the Phase I County Contribution, in one or more installments, for deposit in the Fund.

(ii) Within two (2) business days after OJD's receipt of any amount of the Phase I County Contribution transferred by the County into the Fund, OJD shall transfer such amount into the County's account in the Local Government Investment Pool.

(iii) Any and all funds that the County transfers to OJD pursuant to this Section 9(b) shall be "original" funds—in other words, the County shall not transfer the same funds to OJD more than once.

(c) Value of City Lot. If the County determines pursuant to Section 6 above that the

City Lot shall be the Project Parcel, and then purchases the City Lot from, and wishes to apply its value as a deposit toward the Phase I County Contribution, as allowed by the Act, the County shall submit the following documents to OJD, within sixty (60) days after the closing of its purchase of the City Lot:

- (i) an appraisal that is satisfactory to OJD, in terms of content and timeliness, representing the current value of the City Lot;
- (ii) the sale documents representing the actual purchase price of the City Lot by the County; and
- (iii) documentation that is satisfactory to OJD, showing that the City Lot is land purchased by the County for the Courthouse, pursuant to the Act.

Upon receipt of such documents, OJD shall apply the higher of the appraised value or the purchase price as a deposit to the Phase I County Contribution.

10. Phase I County Contribution: Credits.

(a) Generally. In order to receive credits toward the Phase I County Contribution, the County shall submit Disbursement Requests pursuant to this Section 10. The amounts that the County requests pursuant to Disbursements Requests shall be either:

- (i) to reimburse the County for payments that the County has previously made for Phase I Authorized State Costs of the Project; or
- (ii) for Phase I Authorized State Costs of the Project that the County has incurred and will pay to unrelated third parties no later than five (5) business days after OJD makes the disbursement, as set forth in Section 10(e) below.

(b) Credits Not to Exceed Deposits. The total credits to the County for the Phase I County Contribution may not at any time exceed the total amount that the County has deposited with OJD pursuant to Section 9 above.

(c) Form and Frequency of Disbursement Requests. The County shall submit Disbursement Requests to the State Project Monitor, in the form shown in Exhibit F. Disbursement Requests shall include clear reference to the Project and itemize and explain all expenses in sufficient detail to allow the State Project Monitor to determine whether such expenses represent Phase I Authorized Costs. The County shall submit Disbursement Requests to the State Project Monitor no more frequently than once every fourteen (14) days, and no less frequently than every one hundred twenty (120) days.

(d) Review. The State Project Monitor shall review each Disbursement Request to determine whether:

- (i) the Disbursement Request is in the form shown in Exhibit F and otherwise complies with Section 10(c) above; and
- (ii) the expenses set forth in the Disbursement Request represent Phase I Authorized Costs.

(e) Approved Amounts. For any amount set forth in a Disbursement Request that the State Project Monitor deems to be Phase I Authorized Costs pursuant to Section 10(d) above, then, after multiplying such amount by the State's Proportionate Share to

established the “Approved Amount”:

- (i) fifty percent (50%) of the Approved Amount shall be credited toward the Phase I County Contribution; and
 - (ii) fifty percent (50%) of the Approved Amount shall be disbursed to the County from the Phase I State Funds, pursuant to Section 11 below, and such amount shall be credited toward the Phase I State Funds.
- (f) **Tracking Credits and Disbursements.** OJD shall keep current and accurate calculations of the credits to the Phase I County Contribution and the disbursements from the Phase I State Funds, pursuant to Section 10(e) above.
- (g) **Disapproved Amounts.** If the State Project Monitor determines that any cost shown on a Disbursement Request is not a Phase I Authorized Cost, including whether it represented Misspent Funds, the State Project Monitor shall promptly notify the County of such determination, and none of the disapproved amount shall be credited toward the Phase I County Contribution or disbursed to the County from the Phase I State Funds. In the event the County reasonably objects to exclusion of any cost shown on a Disbursement Request, the parties will cooperate to resolve the objection as provided in Section 8 above.
- (h) **Nonpayment for Work and Materials Accrued.** In the event of a disbursement of Phase I State Funds for an Approved Amount for work or materials already received or performed, the County shall, within five (5) business days, pay the supplier such Approved Amount. Any amounts that the County fails to promptly pay such supplier constitute Unspent Funds.
- (i) **Retainage.** OJD shall retain five percent (5%) of the Approved Amounts from the Phase I State Funds. This retained amount shall not be disbursed to the County until the County has met the Phase I Benchmarks pursuant to Section 14 below and contributed the full amount of the Phase I County Contribution, and until any mechanics’ and materialmen’s liens filed against the Project or the Project Parcel have been discharged of record or bonded off.

11. Disbursement of Phase I State Funds.

- (a) **Generally.** The disbursement of Phase I State Funds to the County pursuant to Section 10(e) above is subject to the provisions of this Section 11.
- (b) **Maximum State Contribution.** Unless the amount of Phase I State Funds authorized by the Act is increased after the Effective Date, the State’s maximum monetary obligation with respect to the Project shall not exceed \$6,400,000.00. In the event that the costs of Phase I exceed the Phase I Project Financing and the parties have not amended this Agreement or entered into a Phase II Funding Agreement agreeing to the payment of the excess costs, the County shall be responsible for all additional costs, and the County shall have no claim against the State for any amount that exceeds the amount of the Phase I State Funds.
- (c) **Sufficient Appropriations.** The disbursement of Phase I State Funds under Section 10(e) above, and of the Security Disbursement (as defined in and pursuant to

Section 11(e) below), are contingent on OJD receiving appropriations, limitations, allotments or other expenditure authority from the Oregon Legislative Assembly sufficient to allow OJD to transfer amounts from the Fund to the County.

(d) Conditions Precedent. OJD's obligation to disburse the Phase I State Funds to the County for any Approved Amount is subject to satisfaction of each of the following conditions precedent, with respect to each disbursement:

- (i) The State Bonds representing the Phase I State Funds have been sold, the proceeds thereof have been made available for disbursement by OJD and OJD has received sufficient expenditure authorizations to allow OJD, in the exercise of its reasonable administrative discretion, to make the disbursement.
- (ii) No County Default has occurred and is continuing.
- (iii) The County's representations and warranties set forth in Section 5 above are true and correct on the date of disbursement with the same effect as though made on the date of disbursement.

(e) Security Disbursement.

- (i) In addition to the Phase I State Funds, OJD shall disburse to the County, on or before June 30, 2019, the amount of \$275,000.00 (the "Security Disbursement") from OJD's State Court Facilities Account, for expenditure by the County on security equipment for the Project. The security equipment shall be for the costs of security cameras, duress alarms and access control systems for the Project. As a condition to disbursement of the Security Disbursement, the County shall submit invoices or other assurance acceptable to OJD that the Security Disbursement has been or will be spent only on security equipment for the OJD Premises.
- (ii) The Security Disbursement is not part of the Phase I State Funds and shall not be credited to the County Contribution. The County's spending of the Security Disbursement for purposes other than as set forth in this Section 11(e) shall constitute Misspent Funds, and the County's failure to spend the Security Disbursement shall constitute Unspent Funds.

12. Payment of State Project Monitor.

(a) OJD has entered into an interagency agreement with DAS for the services of the State Project Monitor relating to the Project. Upon receipt of an invoice for the State Project Monitor's services pursuant to such interagency agreement, OJD shall promptly deliver such invoice to the County, and the County shall pay the amount due to DAS within thirty (30) days after delivery thereof.

(b) The County shall then submit a Disbursement Request to the State pursuant to Section 10(c) above, and the amount paid thereon by the County shall be multiplied by the State's Proportionate Share and then treated as an Approved Amount, and:

- (i) fifty percent (50%) thereof shall be credited toward the Phase I County Contribution; and
- (ii) fifty percent (50%) thereof shall be disbursed to the County from the

Phase I State Funds, pursuant to Section 11 above, and such amount shall be credited toward the Phase I State Funds.

13. Phase I Work.

- (a) The County shall meet the Phase I Benchmarks pursuant to Section 14 below, on or before the Phase I Completion Date (as it may be extended by the agreement of the parties).
- (b) The County shall use all commercially reasonable efforts to timely meet the Phase I Benchmarks.
- (c) The County shall design the Project in accordance with Oregon law and for the purposes described in the Act and this Agreement, including but not limited to the following:
 - (i) in accordance with OAR 330-135-0010 through 330-135-0055, pertaining to expenditures for solar technology, as applicable to the Project. The County shall provide OJD with copies of all reports required by OAR 330-135-0055 as applicable to the Project and as required by the Oregon Department of Energy; and
 - (ii) all statutes and administrative rules relating to Public Works, if the Project is a Public Works as defined in ORS 279C.800(6).
- (d) The County shall contract with competent professionals for all Phase I Work, and shall require all such professionals to possess and maintain all licenses, registrations, insurance, and bonds required by Oregon law.
- (e) The County shall be responsible for developing criteria, solicitation, and receipt and evaluation of proposals for all aspects of the Phase I Work in accordance with applicable sections of Oregon Revised Statutes Chapters 279A, 279B, and 279C, other applicable law and local contracting procedures; and in compliance with Oregon Laws 2014, chapter 66 (HB 4111). The County shall document all solicitations, selection and award processes used for contracting the Phase I Work.
- (f) The County shall be responsible for awarding and managing all contracts and property acquisitions necessary to complete the Phase I Work in accordance with the Project Application and the Initial Plans.
- (g) All subagreements that the County may enter into which are funded wholly or in part with Phase I Project Financing shall be subcontractual in nature, with the other party engaged in the role of a contractor. The County shall actively administer all subcontracts with contractors to ensure that the terms of the subcontract are consistent with the terms of this Agreement to ensure compliance with the terms of the subcontract, and to ensure the contractor's support for the intended purposes of this Agreement and the Act.
- (h) The Phase I Work shall be performed in compliance with all applicable federal, state and local laws and ordinances.
- (i) Neither execution of this Agreement nor approval of the Project Plans and Specifications by OJD or DAS shall be construed as a representation or warranty by the

State that the Project Plans and Specifications are in compliance with any building or other code or other applicable governmental requirements.

(j) The State and the Colocation Agency and their employees, agents and representatives (including, without limitation, the State Project Monitor, the Presiding Judge, the Trial Court Administrator and the Colocation Contact) shall have access to the Project, the Project Parcel and Project documentation and records at all reasonable times throughout the term of this Agreement, and as otherwise required under this Agreement, to inspect the work, operation and accounting records related to the Project.

(k) The County shall promptly provide notice to OJD of any credible evidence that a principal, employee, agent, contractor, subcontractor, supplier or other person has submitted a false claim under the False Claims Act, ORS180.750 to 180.785, or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity or similar misconduct involving the Phase I Project Financing.

(l) During the term of this Agreement, the County shall, promptly upon request, deliver to the State Project Monitor any requested information relating to the Phase I Work, in sufficient detail to enable the State Project Monitor to determine whether the Phase I Work is proceeding in a timely fashion.

(m) The County shall pay when due all claims for work performed on the Phase I Work by or through County for services rendered or materials furnished to the Project, and shall keep the Project and the Project Parcel free from any liens arising by or through the County. If any such lien shall at any time be filed against the Project or the Project Parcel, or any portion thereof, the County shall cause the same to be discharged of record or bonded off, as permitted by statute, within thirty (30) days after the County's receipt of written notice of same.

(n) The Project will not be enrolled in the State Energy Efficiency Design (SEED) program.

14. Phase I Benchmarks. The County shall be deemed to have met the Phase I Benchmarks if the State, in its reasonable discretion, approves in writing:

- (a) the Project Plans and Specifications
- (b) the Project Schedule; and
- (c) the Project Budget.

15. Phase II Funding Agreement.

(a) **Condition.** The parties shall enter into the Phase II Funding Agreement, to memorialize the State's contribution of the Phase II State Funds for the Project, and their other obligations and understandings regarding Phase II, only if:

- (i) the County meets the Phase I Benchmarks on or before the Phase I Completion Date (as it may be extended by the agreement of the parties); and
- (ii) future State and County approvals of appropriations required for Phase II of the Project have been made.

(b) **County Notice.** The County shall provide ninety (90) days' notice to the State in advance of the estimated date of the County's completion of the Phase I Benchmarks. After receiving this notice, the State will have thirty (30) days to provide the County with a draft Phase II Funding Agreement.

(c) **Execution.** The parties shall use their good-faith efforts to negotiate and execute a Phase II Funding Agreement within thirty (30) days after the County meets the Phase I Benchmarks.

(d) **Failure by County.** In the event the State has fulfilled all of its obligations under this Agreement and sufficient Phase II State Funds have been allocated by the Oregon legislature, and the County fails to enter into the Phase II Funding Agreement pursuant to this Section 15, the County shall pay the Defeasance Costs to the State pursuant to Section 26 below, within sixty (60) days after notice from the State of such failure.

(e) **Excess Phase I State Funds.** In the event the parties enter into the Phase II Funding Agreement and not all of the Phase I State Funds have been disbursed to the County pursuant to this Agreement, any such excess funds shall be added to the Phase II State Funds.

(f) **Excess Deposits to Phase I County Contribution.**

(i) In the event the parties enter into the Phase II Funding Agreement pursuant to this Section 15, and the amount of the Phase I County Contribution deposited pursuant to Section 9 above exceeds the full amount of Disbursement Requests approved by the State Project Monitor pursuant to Section 10(e) above, any such excess amount shall be credited to the Phase II County Contribution.

(ii) In the event the parties do not enter into the Phase II Funding Agreement pursuant to this Section 15, and the amount of the Phase I County Contribution deposited pursuant to Section 9 above exceeds the full amount of Disbursement Requests credited to the Phase I County Contribution pursuant to Section 10(e) above, any excess amount shall be returned to the County.

(g) **Excess Phase I Authorized State Costs.** In the event the parties enter into the Phase II Funding Agreement and the Approved Amounts credited to the Phase I State Funds under Section 10(e) above exceed the Phase I State Funds, any such excess credits to the Phase I State Funds will be considered credits to Phase II State Funds.

16. Terms and Conditions of Leases.

(a) **Generally.** In the event the parties enter into the Phase II Funding Agreement, then during Phase II the parties shall finalize and enter into the OJD Lease, and the County shall enter into the Colocation Lease, in accordance with the provisions of this Section 16.

(b) **Lease Terms.** The State Leases shall contain the following general terms and conditions:

(i) The initial term of the State Leases shall last until the State Bonds mature or full payment of the Defeasance Costs of the State Bonds, whichever occurs first.

- (ii) During the initial term of the State Leases, OJD and the Colocation Agency shall not pay any rent to the County.
- (iii) OJD and the Colocation Agency may each extend the initial term of the State Leases, at a monthly fair market rent.
- (iv) OJD and the Colocation Agency shall, at their own expense, provide consumables (e.g., toilet paper, paper towels, etc.).
- (v) The County shall, at its own expense, maintain, repair and replace the State Premises.
- (vi) The County shall provide, at its own expense, all utilities and services, including janitorial services, to the State Premises.
- (vii) During the term of the State Leases, in the event any portion of the Project outside of the State Premises becomes available for rent, OJD or the Colocation Agency can rent such portion from the County at fair market value.

17. Misspent Funds and Unspent Funds.

- (a) **Notice.** If the State Project Monitor determines that there are Misspent Funds or Unspent Funds by the County, including pursuant to Sections 10(g) or 10(h) above, the State Project Monitor shall provide notice to the County describing the amount and nature of such Misspent Funds or Unspent Funds.
- (b) **Cure.** Within thirty (30) days after receipt of the notice described in Section 17(a) above, or such longer period as the State Project Monitor may (but is not obligated to) approve at the County's request:
 - (i) with regard to Misspent Funds: the County shall pay OJD the amount of the Misspent Funds, and OJD shall reverse the credits to the Phase I County Contribution and the Phase I State Funds for such amounts.
 - (ii) with regard to Unspent Funds: the County shall provide evidence satisfactory to the State Project Monitor that the County has spent the Unspent Funds for Phase I Authorized Costs.

A failure by the County to cure the Misspent Funds or the Unspent Funds pursuant to this Section 17(b) shall constitute a County Default.

- (c) **Dispute by County.** If the County disputes a determination by the State Project Monitor, made pursuant to Section 17(a) above, that there are Misspent Funds or Unspent Funds, the County shall so notify the State within fifteen (15) business days after receipt of notice from the State under Section 17(a) above, and the thirty-day cure period set forth in Section 17(b) above shall be tolled accordingly.

18. Taxes and Assessments; Utilities. During the Phase I Work, the County shall pay all taxes, utility charges and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or the Project Parcel. If any governmental charges may lawfully be paid in installments over a period of years, the County may pay those charges in installments. The County may

contest in good faith the validity or application of any tax, utility charge or governmental charge in any reasonable manner, so long as the contest does not subject any portion of the Project or the Project Parcel to loss or forfeiture.

19. Tax Covenants.

(a) **Generally.** The County covenants for the benefit of the State and the owners of the State Bonds that it shall comply with all provisions of the Code which are required for interest on the State Bonds to be excluded from gross income for federal taxation purposes. In determining what actions are required to comply, the County may rely on an opinion of the State's bond counsel.

(b) **Specific Covenants.** The County makes the following specific covenants with respect to the Code:

- (i) The County shall not take any action or omit any action that would cause the State Bonds to become "arbitrage bonds" under Section 148 of the Code or "private activity bonds" under Section 141 of the Code.
- (ii) The County shall, at the request of DAS, cooperate with DAS to provide information DAS may need to compute any arbitrage rebate payments which may be due from DAS in connection with the State Bonds.

20. County Not a State Officer, Employee or Agent. The County is not an "officer," "employee" or "agent" of the State, as those terms are used in ORS 30.265.

21. Insurance. Upon the commencement of any permanent improvements upon the Project Parcel, and through the remainder of the term of this Agreement, the County shall maintain in full force and effect throughout the entire term of this Agreement, property insurance for the perils of all risks of direct physical loss or damage including earthquake and flood covering the Project and the Project Parcel in an amount at least equal to the amount of the Phase I Project Financing. Insurance proceeds from an insured loss affecting the Project or the Project Parcel shall be exclusively used by the County to rebuild, repair and restore the Project and the Project Parcel in a manner consistent with the terms of this Agreement. The County shall consult with OJD regarding the plans for rebuilding, repairing and restoring the Project and the Project Parcel and such plans shall be subject to OJD's approval, which shall not be unreasonably withheld. OJD shall be provided notice of any cancellation or material modification to the policy at least thirty (30) days prior to the effective date of such cancellation or change. A properly executed certificate of insurance shall be provided to OJD on or before the Effective Date, and thereafter at least thirty (30) days prior to the effective date of any renewal or replacement policy. The policy shall be issued by companies licensed or authorized to provide insurance in the State of Oregon. The policy shall be written by an insurance company that meets or exceeds an A VII rating of A.M. Best Company or for those qualified companies that are not rated by A.M. Best Company a rating equivalent or better than an A.M. Best A VII. The County's self-insured deductible shall not exceed \$100,000 each loss, except the earthquake and flood deductible shall not exceed five

percent (5%) of each loss or \$100,000, whichever is more, without prior consent of OJD.

22. County Default. Any of the following shall constitute a County Default:

- (a) The County fails to meet the Phase I Benchmarks on or before the Phase I Completion Date (as it may be extended by the agreement of the parties).
- (b) The County fails to perform, observe or discharge any of its other duties or obligations under this Agreement (except for curing Misspent Funds or Unspent Funds as set forth in Section 22(c) below) within thirty (30) days after notice from the State specifying the nature of the failure with reasonable particularity; or, if such failure cannot reasonably be completely remedied within such 30-day period, then within such longer times as the failure can reasonably be remedied, in the State's reasonable discretion and as set forth in the notice to the County.
- (c) The County fails to cure any Misspent Funds or Unspent Funds as required by Section 17(b) above.
- (d) Any representation or statement made by the County in this Agreement or in any document or report relied upon by the State or the State Project Monitor, as the case may be, to approve a Disbursement Request, monitor the Project as provided herein or disburse Phase I Project Financing, is untrue in any material respect when made.
- (e) The County declares itself or is adjudicated insolvent or bankrupt, applies for or consents to the appointment of, or taking of possession by, a receiver, custodian, trustee, or liquidator of itself or all or any substantial part of its assets, or a proceeding or case is commenced, without the application or consent of the County, in any court of competent jurisdiction, seeking: (1) the liquidation, dissolution or winding-up, or the composition or readjustment of debts, of the County; or (2) the appointment of a trustee, receiver, custodian, liquidator or the like for the County or of all or any substantial part of its assets.

23. State's Remedies for County Default. Upon a County Default, the State, may, at its option, pursue any or all of the remedies available under this Agreement and at law or in equity, including but not limited to:

- (a) ceasing disbursement of Phase I State Funds;
- (b) terminating this Agreement, in which event the County shall pay the Defeasance Costs to the State pursuant to Section 26 below, within sixty (60) days after the termination.
- (c) bringing an action at law to recover damages incurred as a result of the County Default, in order to recover all Phase I State Funds disbursed to the County hereunder, with interest thereon; and
- (d) seeking any equitable remedies, including specific performance, which may be available to the State.

24. State Default and County's Remedies for State Default.

- (a) **Default by State.** Any of the following shall constitute a State Default:

- (i) The State fails to pay the County any amount as required by this Agreement, and OJD fails to cure such failure within thirty (30) days after the County's notice or such longer period as the County may specify in such notice; or
- (ii) The State commits any material breach or default of any covenant, warranty or obligation under this Agreement other than one described in Section 24(a)(i) above, and such breach or default is not cured within thirty (30) days after the County's notice or such longer period as the County may specify in such notice.

(b) County's Remedies for State Default. In the event of a State Default, the County may, at its option:

- (i) bring an action at law to recover damages incurred as a result of the State Default, in order to recover all Phase I County Contributions hereunder, with interest thereon; and
- (ii) pursue any or all of the remedies available to it under this Agreement and at law or in equity.

25. Termination.

(a) By State. In the event OJD fails to receive sufficient appropriations, expenditure limitations and other state authorizations to permit OJD in the reasonable exercise of its administrative discretion to continue making payments under this Agreement, OJD may immediately terminate this Agreement without penalty or liability except for costs for payments or reimbursements that would be payable under this Agreement already incurred through the date of termination, effective upon the delivery of notice to the County.

(b) By County. The County may not terminate this Agreement prior to meeting the Phase I Benchmarks and otherwise fulfilling the County's obligations hereunder unless and until the County pays to the State the Defeasance Costs pursuant to Section 26 below.

26. Defeasance Costs.

(a) Generally.

- (i) The County has no obligation to pay Defeasance Costs except where specifically provided for in this Agreement.
- (ii) Upon the request of the County, the State shall promptly provide to the County a calculation of the Defeasance Costs as of a specific date.
- (iii) In the event the amount of Defeasance Costs paid by the County hereunder exceeds the State's actual Defeasance Costs, the State shall refund the excess to the County within thirty (30) days after the defeasance is accomplished. If the amount of Defeasance Costs paid by the County to the State is less than the State's actual Defeasance Costs, the State shall so notify the County and the County shall pay the deficiency to the State within thirty (30) days after the State notifies the County.

(b) Real Property Termination Interest. If the County, in its reasonable discretion, is not able to directly pay the State the Defeasance Costs or any portion thereof pursuant to Section 26(a) above, the County may convey to the State a Real Property Termination Interest in accordance with this Section 26(b). The proposed Real Property Termination Interest that the County proposes to convey to the State must be acceptable to the State, in the State's sole discretion. The County shall provide to the State any documentation requested by the State to substantiate the value of the Real Property Termination Interest or to otherwise affirm the condition of the Real Property Termination Interest.

27. Parties' Contribution for Third Party Claims; Indemnification.

(a) Generally. If any third party makes any tort claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 (a "Third Party Claim") against a party (the "Notified Party") with respect to which the other party (the "Other Party") may have liability, the Notified Party shall promptly notify the Other Party in writing of the Third Party Claim and deliver to the Other Party, along with the written notice, a copy of the claim, process and all legal pleadings with respect to the Third Party Claim that have been received by the Notified Party. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by the Other Party of the notice and copies required in this Section 27, and a meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing, are conditions precedent to the Other Party's contribution obligation under this Section 27 with respect to the Third Party Claim.

(b) State Contribution. With respect to a Third Party Claim for which the State is jointly liable with the County (or would be if joined in the Third Party Claim), the State shall contribute to the amount of expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by the County in such proportion as is appropriate to reflect the relative fault of the State on the one hand and of the County on the other hand in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of the State on the one hand and of the County on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. The State contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if the State had sole liability in the proceeding.

(c) County Contribution. With respect to a Third Party Claim for which the County is jointly liable with the State (or would be if joined in the Third Party Claim), the County shall contribute to the amount of expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by the State in such proportion as is appropriate to reflect the relative fault of the County on the one hand and of the State on the other hand in connection with

the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of the County on the one hand and of the State on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. The County's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if it had sole liability in the proceeding.

(d) All Other Claims. For any other claim, suit, class action suit, or proceeding alleging discriminatory, unconstitutional, or otherwise unlawful conduct with respect to either party's acts or refusal to act under this Agreement, each party shall indemnify and defend the other, and their officers, employees, and other agencies from and against all claims, suits, actions, losses, damages, liability, costs and expenses of any nature whatsoever arising out of or relating to their acts or omissions or the acts or omissions of their officers, employees, subcontractors or agents under this Agreement.

28. Independent Parties. The parties agree and acknowledge that their relationship is that of independent contracting parties. Any agreement entered into by the County relating to the Project is not an obligation of the State. The County shall not represent that it has the power or authority to obligate the State.

29. No Third-Party Beneficiaries. DAS, OJD and the County are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons, unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement. Notwithstanding the foregoing, the State Project Monitor has all of the rights as set forth in this Agreement.

30. Subcontracts, Successors and Assignments. The County's entry into any subcontracts for any portion of the Project shall not relieve the County of any of its duties or obligations under this Agreement. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties, and their respective successors and permitted assigns, if any.

31. Compliance with Applicable Law.

(a) The County shall comply with all applicable federal, state and local laws, rules, regulations, executive orders, ordinances or orders applicable to this Agreement and the Project. Without limiting the generality of the foregoing, the County expressly agrees to comply with the following, and all regulations and administrative rules established pursuant thereto:

- (i)** Workers' Compensation Laws (ORS Chapter 656);
- (ii)** Wages, Hours and Records Laws (ORS Chapter 652);

- (iii) Conditions of Employment Laws (ORS Chapter 653);
 - (iv) Safety and Health Regulations (ORS Chapter 654); and Unemployment Insurance (ORS Chapter 657);
 - (v) Titles VI and VII of the Civil Rights Act of 1964, as amended, which prohibits discrimination on the basis of race, color or national origin;
 - (vi) Sections 503 and 504 of the Rehabilitation Act of 1973, as amended;
 - (vii) the Americans with Disabilities Act of 1990, as amended;
 - (viii) the Health Insurance Portability and Accountability Act of 1996;
 - (ix) the Age Discrimination in Employment Act of 1967, as amended, and the Age Discrimination Act of 1975, as amended;
 - (x) the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended;
 - (xi) Discrimination against disabled persons (ORS 659A.142);
 - (xii) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92.255) as amended, relating to nondiscrimination on the basis of drug abuse;
 - (xiii) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91.616) as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
 - (xiv) Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd.3 and 290 ee-34), as amended, relating to confidentiality of alcohol and drug abuse patient records;
 - (xv) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing;
 - (xvi) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made;
 - (xvii) the requirements of any other nondiscrimination statute(s) which may apply to the application; and
 - (xviii) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations not set forth in this Section 31(a).
- (b) The County shall ensure that any architectural or engineering services contract, construction or CM/GC contract and all of the first-tier subcontracts for Project work or materials resulting from this Agreement shall include the terms of this Section 31. The County shall make reasonable efforts to ensure that all contractors performing Project work or providing materials under contracts resulting from this Agreement shall comply with the terms of this Section 31.

32. Records Maintenance; Review and Audit.

- (a) The County shall maintain all financial records relating to this Agreement in accordance with generally accepted accounting principles, consistently applied. In addition, the County shall maintain any other records pertinent to this Agreement in such a manner as to clearly document the County's performance. The County acknowledges

and agrees that DAS, OJD, the Oregon Secretary of State's Office and their duly authorized representatives shall have access to such financial records and other books, documents, papers, plans, records of shipments and payments and writings of County that are pertinent to this Agreement, whether in paper, electronic or other form, to perform examinations and audits and make excerpts and transcripts.

(b) Upon request, the County shall promptly provide the State with any other such information regarding the Project as the State may require.

(c) The County shall retain and keep accessible all such financial records, books, documents, papers, plans, records of shipments and payments and writings until the later of three years after the date the State Bonds are redeemed, or the date of the conclusion of any audit, controversy or litigation arising out of or related to this Agreement.

33. Notice.

(a) **Generally.** Any notices, demands, deliveries or other communications required under this Agreement shall be made in writing and delivered by one of the methods set forth in Section 33(b) below to the address of the parties or the State Project Monitor, as set forth in the Project Summary and Contact Information above, unless a party or the State Project Monitor modifies its address by notice to the other parties and the State Project Monitor, as applicable. The phone numbers listed in the Project Summary and Contact Information are for convenience only, and any information delivered by phone to a party or the State Project Monitor shall not constitute notice under this Agreement.

(b) Delivery.

Method of delivery	When notice deemed delivered
In person (including by messenger service)	the day delivered, as evidenced by signed receipt
Email or Facsimile	the day sent (unless sent after 5:00 p.m., P.T., in which case the email or facsimile shall be deemed sent the following business day)
US Mail (postage prepaid, registered or certified, return receipt requested)	the day received, as evidenced by signed return receipt, or three (3) days after the mailing date if delivery is refused
Courier delivery (by reputable commercial courier)	the day received, as evidenced by signed receipt

If the deadline under this Agreement for delivery of a notice is a Saturday, Sunday or federal or State of Oregon holiday, such deadline shall be deemed extended to the next business day.

34. Severability; Waiver.

(a) **Severability.** If any term or provision of this Agreement is declared by a court of

competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected. The rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provisions held to be invalid.

(b) Waiver. The failure by a party to enforce any provision of this Agreement shall not constitute a waiver of that or any other provision.

35. Governing Law; Venue; Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding between the State of Oregon and the County that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon. In no event shall this Section 35 be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, from any claim, action suit or proceeding or from the jurisdiction of any court. Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

36. Entire Agreement; Amendments.

(a) Entire Agreement. This Agreement constitutes the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement.

(b) Amendments. No amendment, waiver, consent, modification or change of terms of this Agreement shall bind a party unless in writing and signed by both parties. Such amendment, waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given.

37. Time is of the Essence. Time is of the essence in the performance of the terms of this Agreement.

38. Survival. All provisions of this Agreement set forth under the following Section headings shall survive expiration or termination of this Agreement:

- (a)** 13(h), (i), (j), (k), and (m) – Phase I Work;
- (b)** 19 – Tax Covenants;
- (c)** 22 – County Default;
- (d)** 23 – State’s Remedies for County Default;
- (e)** 24 – State Default and County’s Remedies for State Default;
- (f)** 27 – Parties’ Contribution for Third-Party Claims; Indemnification;
- (g)** 29 – No Third-Party Beneficiaries;

- (h) 30 – Subcontracts, Successors and Assignments;
- (i) 32 – Records Maintenance; Review and Audit;
- (j) 34 – Severability; Waiver;
- (k) 35 – Governing Law; Venue; Consent to Jurisdiction; and
- (l) Any other provision of this Agreement that by its terms is intended to survive.

[remainder of page intentionally left blank]

The State and the County, by execution of this Agreement, each hereby acknowledge that each has read this Agreement, understands it and agrees to be bound by its terms and conditions.

**The State of Oregon,
acting by and through its Department of Administrative Services (DAS):**

Print Name: _____

Title: _____

Signature: _____

**The State of Oregon,
acting by and through its Judicial Department (OJD):**

Print Name: _____

Title: _____

Signature: _____

Approved as to Legal Sufficiency for the State:

By: _____

Shelby E. Robinson, Assistant Attorney General

*Approved as to all provisions relating to the Office of Public Defense Services, as
Colocation Agency hereunder:*

**The State of Oregon,
acting by and through the Office of Public Defense Services (Colocation Agency):**

Print Name: _____

Title: _____

Signature: _____

Lane County, Oregon (County):

Print Name: _____

Title: _____

Signature: _____

Reviewed for the County:

_____, COUNTY ATTORNEY
FOR LANE COUNTY, OREGON

By: _____
_____, County Counsel

#7387337v17

Exhibit A

Phase I Work

- Architectural design and space planning
- Site due diligence
- Geotechnical and environmental investigations
- Land surveys
- Traffic impact analysis
- Architectural Design and Engineering Services (A/E)
- Pre-construction services from contractor(s)
- Inspections and other due diligence
- If CM/GC: Early Work Amendments (EWAs) including but not limited to: utility relocation, site preparation, selective demolition of structures, offsite public improvements
- Shoring design and installation, deep foundation systems
- Work by the County's Project management staff
- Development of Phase I Design Development Documents
- Development of Project Plans and Specifications, based on the Phase I Design Development Documents
- Development of Project Schedule
- Development of Project Budget
- Acquisition of the City Lot, if applicable
- City of Eugene development and plan review, permit fees and system development charges
- 1.5% for solar (per State of Oregon requirements for public projects)
- State Historic Preservation Office application and permit fees

Exhibit B

Phase I Benchmarks

1. Finalizing the Project Plans and Specifications
2. Finalizing the Project Schedule
3. Finalizing the Project Budget
4. Acquiring the City Lot, if applicable

Exhibit C

Initial Plans

REVISED 6/15/2018

Exhibit D

Courthouse Design Criteria

REVISED 6/15/2018

Exhibit E-1

Description of City Lot

Lots 1, 2, 3, 4, 5, 6, 7 and 8, Block 24, ORIGINAL PLAT OF EUGENE CITY, as platted and recorded in Book "A", Page 2, Lane County Oregon Plat Records, in Lane County, Oregon.

Together with the vacated alleys running North-South and East-West within Block 24, inuring to said Lots by Operation of Law, under Ordinance No. 12690, recorded December 21, 1962, Reception No. 1962-093826, and amended by Ordinance No. 13658, recorded October 29, 1964, Reception No. 1964-079861, Lane County Oregon Deed Records, in Lane County, Oregon.

REVISED 6/15/2018

Exhibit E-2

Description of Butterfly Lot

PARCEL 1:

Lots 1, 2, 3, 4, 5, 6, 7 and 8, Block 24, ORIGINAL PLAT OF EUGENE CITY, as platted and recorded in Book "A", Page 2, Lane County Oregon Plat Records, in Lane County, Oregon.

Together with the vacated alleys running North-South and East-West within Block 24, inuring to said Lots by Operation of Law, under Ordinance No. 12690, recorded December 21, 1962, Reception No. 1962-093826, and amended by Ordinance No. 13658, recorded October 29, 1964, Reception No. 1964-079861, Lane County Oregon Deed Records, in Lane County, Oregon.

EXCEPTING THEREFROM: Beginning at the Northwest corner of Lot 3, Block 24 of the ORIGINAL PLAT EUGENE CITY, as platted and recorded in Judgment Docket A, Page 2, Lane County Oregon Plat Records, in Lane County, Oregon; thence run along the North line of said Lot 3, South 88° 12' 16" East 167.97 feet to the centerline of the North-South alley in said Block 24; thence running along said alley centerline, South 1° 55' 34" West 50.00 feet; thence leaving said alley centerline and running Westerly 50.00 feet distant when measured perpendicularly from said North line of said Lot 3, North 88° 12' 16" West 167.91 feet to the West line of said Block 24; thence along said West line of Block 24, North 1° 51' 18" East 50.00 feet to the point of beginning, all in Eugene, Lane County, Oregon.

EXCEPTING THEREFROM: Beginning at the Northwest corner of Lot 6, Block 24, of the ORIGINAL PLAT OF EUGENE CITY, as platted and recorded in Judgment Docket A, Page 2, Lane County Oregon Plat Records, in Lane County, Oregon; thence Northerly along the West line of said Block 24, North 1° 51' 18" East 7.00 feet to the centerline of a 14 foot wide alley as platted in said Block 24 in the ORIGINAL PLAT OF EUGENE CITY; thence continuing along said West line of said Block 24, North 1° 51' 18" East 37.31 feet to a point being 50.00 feet distant when measured perpendicularly from the North line of Lot 3, Block 24 of said ORIGINAL PLAT EUGENE CITY; thence leaving said West line of Block 24 and running 50.00 feet distant and parallel to the North line of said Lot 3, South 88° 12' 16" East 167.91 feet to the centerline of the North-South alley as platted Block 24 in the ORIGINAL PLAT OF EUGENE CITY; thence running along said centerline of said North-South alley, South 1° 55' 34" West 37.28 feet to the centerline intersection of said North-South alley with the East-West alley in said Block 24; thence continuing along said North-South alley, South 1° 55' 34" West 117.56 feet to a point being 50.00 feet when measured perpendicularly Northerly of the South line of said Block 24; thence leaving said centerline of the North-South alley and running parallel and 50.00 feet distant from said South line of said Block 24, North 88° 14' 20" West 167.72 feet to said West line of said Block 24; thence run along said West line of said Block 24, North 1° 51' 18" East 110.63 feet to the point of beginning being the Northwest corner of Lot 6, Block 24 of the ORIGINAL PLAT OF EUGENE CITY, and there ending, all in Eugene, Lane County, Oregon.

EXCEPTING THEREFROM: Beginning at the Southwest corner of Lot 7, Block 24 of the ORIGINAL PLAT OF EUGENE CITY, as platted and recorded in

Judgment Docket A, Page 2, Lane County Oregon Plat Records, in Lane County, Oregon; thence Northerly along the West line of said Lot 7, North 1° 51' 18" East 50.00 feet; thence leaving said West line of Lot 7 and running parallel to and 50.00 feet distant from the South line of said Block 24, South 88° 14' 20" East 167.72 feet to the centerline intersection with the North-South alley as platted in said Block 24 in said ORIGINAL PLAT EUGENE CITY; thence running along the centerline of said North-South alley, South 1° 55' 34" West 50.00 feet to the South line of said Block 24; thence leaving said centerline of the North-South alley and running along the South line of said Block 24, North 88° 14' 20" West 167.66 feet to the Southwest corner of said Lot 7 being the point of beginning and there ending, all in Eugene, Lane County, Oregon.

PARCEL 2:

Beginning at the Northwest corner of Lot 3, Block 24 of the ORIGINAL PLAT EUGENE CITY, as platted and recorded in Judgment Docket A, Page 2, Lane County Oregon Plat Records, in Lane County, Oregon; thence run along the North line of said Lot 3, South 88° 12' 16" East 167.97 feet to the centerline of the North-South alley in said Block 24; thence running along said alley centerline, South 1° 55' 34" West 50.00 feet; thence leaving said alley centerline and running Westerly 50.00 feet distant when measured perpendicularly from said North line of said Lot 3, North 88° 12' 16" West 167.91 feet to the West line of said Block 24; thence along said West line of Block 24, North 1° 51' 18" East 50.00 feet to the point of beginning, all in Eugene, Lane County, Oregon.

PARCEL 3:

Beginning at the Northwest corner of Lot 6, Block 24, of the ORIGINAL PLAT OF EUGENE CITY, as platted and recorded in Judgment Docket A, Page 2, Lane County Oregon Plat Records, in Lane County, Oregon; thence Northerly along the West line of said Block 24, North 1° 51' 18" East 7.00 feet to the centerline of a 14 foot wide alley as platted in said Block 24 in the ORIGINAL PLAT OF EUGENE CITY; thence continuing along said West line of said Block 24, North 1° 51' 18" East 37.31 feet to a point being 50.00 feet distant when measured perpendicularly from the North line of Lot 3, Block 24 of said ORIGINAL PLAT EUGENE CITY; thence leaving said West line of Block 24 and running 50.00 feet distant and parallel to the North line of said Lot 3, South 88° 12' 16" East 167.91 feet to the centerline of the North-South alley as platted Block 24 in the ORIGINAL PLAT OF EUGENE CITY; thence running along said centerline of said North-South alley, South 1° 55' 34" West 37.28 feet to the centerline intersection of said North-South alley with the East-West alley in said Block 24; thence continuing along said North-South alley, South 1° 55' 34" West 117.56 feet to a point being 50.00 feet when measured perpendicularly Northerly of the South line of said Block 24; thence leaving said centerline of the North-South alley and running parallel and 50.00 feet distant from said South line of said Block 24, North 88° 14' 20" West 167.72 feet to said West line of said Block 24; thence run along said West line of said Block 24, North 1° 51' 18" East 110.63 feet to the point of beginning being the Northwest corner of Lot 6, Block 24 of the ORIGINAL PLAT OF EUGENE CITY, and there ending, all in Eugene, Lane County, Oregon.

PARCEL 4:

Beginning at the Southwest corner of Lot 7, Block 24 of the ORIGINAL PLAT OF EUGENE CITY, as platted and recorded in Judgment Docket A, Page 2, Lane County Oregon Plat Records, in Lane County, Oregon; thence Northerly along the West line of said Lot 7, North 1° 51' 18" East 50.00 feet; thence leaving said West line of Lot 7 and running parallel to and 50.00 feet distant from the South line of said Block 24, South 88° 14' 20" East 167.72 feet to the centerline intersection with the North-South alley as platted in said Block 24 in said ORIGINAL PLAT EUGENE CITY; thence running along the centerline of said North-South alley, South 1° 55' 34" West 50.00 feet to the South line of said Block 24; thence leaving said centerline of the North-South alley and running along the South line of said Block 24, North 88° 14' 20" West 167.66 feet to the Southwest corner of said Lot 7 being the point of beginning and there ending, all in Eugene, Lane County, Oregon.

Exhibit F

Form of Disbursement Request

Disbursement Request Number: _____

[number Requests sequentially for ease of tracking]

Dated: _____

Project Title: Lane County Courthouse

Bonds: Article XI-Q Series 2017 F Bonds

Funding Agreement: Lane County Courthouse Funding Agreement between OJD, DAS and Lane County dated _____, 2018 (the "Agreement")

Capitalized terms that are used but are not defined in this Disbursement Request have the meanings defined for those terms in the Agreement.

On behalf of Lane County (the "County"), I hereby request a total disbursement of \$_____ pursuant to the Agreement, fifty percent (50%) of such amount to be credited to the Phase I County Contribution, and the other fifty percent (50%) of such amount to be disbursed to the County from the Phase I State Funds.

I hereby make the following certifications in connection with this Disbursement Request:

1. On behalf of the County, I have reviewed the attached invoice(s) and any other documents attached to this Disbursement Request, and I have determined that the invoiced work or materials represent Phase I Authorized Costs for the Project pursuant to the Agreement.
2. The County will use the disbursement amount requested by this Disbursement Request either:
 - (a) to reimburse the County for amounts that the County has previously paid for Phase I Authorized State Costs of the Project; or
 - (b) for Phase I Authorized State Costs of the Project that the County has incurred from unrelated third parties but has not yet paid, which the County will pay no later than five (5) business days after disbursement by OJD of the amount set forth herein.
3. The total amount credited to the Phase I County Contribution pursuant to Section 10(e) of the Agreement is equal to or greater than the total Phase I State Funds disbursed to date plus the amount of this Disbursement Request.
4. The certifications in this Disbursement Request are true to the best of my knowledge and belief.

By: _____
Authorized Signature