

ORDINANCE NO. 23-903-03

AN ORDINANCE APPROVING, RATIFYING, AND DECLARING CITY OF JOHN DAY'S INTENT TO (A) CREATE A CERTAIN HOUSING AND PUBLIC IMPROVEMENT INTERGOVERNMENTAL ENTITY, COMMONLY KNOWN AS REGIONAL RURAL REVITALIZATION (R3) STRATEGIES CONSORTIUM, IN ACCORDANCE WITH ORS 190.085, AND (B) CITY OF JOHN DAY'S ADMISSION INTO THE INTERGOVERNMENTAL ENTITY; AND DECLARING AN EMERGENCY.

WHEREAS, ORS 190.010 provides that units of local government may enter into agreements for the performance of any functions and activities that any party to the agreement, or its officers or agents, has the authority to perform; and

WHEREAS, under ORS 190.085, each party to an intergovernmental agreement creating an intergovernmental entity must enact an ordinance ratifying creation of the intergovernmental entity prior to the effective date of the intergovernmental agreement; and

WHEREAS, the city council (the "Council") of City of John Day ("City") desires to approve, ratify, and declare its intent to (a) create a certain housing and public improvement intergovernmental entity, commonly known as Regional Rural Revitalization (R3) Strategies Consortium, in accordance with ORS 190.085, and (b) City's admission into the intergovernmental entity.

NOW, THEREFORE, the City of John Day ordains as follows:

1. Findings. The above-stated findings are hereby adopted.
2. Short Title. This Ordinance No. 23-903-03 may be referred to as the "Regional Rural Revitalization (R3) Strategies Consortium Ratifying Ordinance" and will be cited and referred to herein as this "Ordinance."
3. Definitions. For purposes of this Ordinance, the following terms and phrases have the meanings assigned to them below:

"Agreement" means the First Amended and Restated Intergovernmental Agreement to Establish Regional Rural Revitalization (R3) Strategies Consortium dated effective on or about July 1, 2023 entered into between the Parties substantially in the form attached hereto as Exhibit A.

"Board" means Consortium's board of directors.

"Consortium" means the housing and public improvement consortium known as Regional Rural Revitalization Strategies (R3) Consortium.

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

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

"Managing Director" has the meaning assigned to such term in the Agreement.

"Party(ies)" means, individually and collectively, City of John Day, an Oregon municipal corporation, City of Burns, an Oregon municipal corporation, Town of Lakeview, an Oregon municipal corporation, and Baker City, an Oregon municipal corporation.

“Project(s)” has the meaning assigned to such term in the Agreement.

4. Intent; Effective Date. The Council approves, ratifies, and declares its intent to (a) create a certain housing and public improvement intergovernmental entity, commonly known as Regional Rural Revitalization (R3) Strategies Consortium, in accordance with ORS 190.085 by intergovernmental agreement, and (b) City’s admission into the intergovernmental entity. The effective date of the Agreement is on or about July 1, 2023. City approves the Agreement with the Parties substantially in the form attached hereto as Exhibit A.

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

6. Consortium Powers; Duties; Functions. Consortium will have the authority to act in the interest of the Parties concerning the Projects (including functions related thereto) that are submitted to Consortium and such other responsibilities assigned by the Parties from time to time. Without otherwise limiting the generality of the foregoing, Consortium will have the following general powers: (a) adopt, through action of the Board, such bylaws, rules, regulations, and policies necessary to carry out Consortium’s purposes and duties under the Agreement; (b) evaluate and approve the Projects; (c) coordinate logistics for approved Projects; (d) subject to the terms of the Agreement and/or ORS chapter 190, perform such other responsibilities assigned by the Parties from time to time; and (e) enter into agreements with other public and/or private entities for the purpose of completing Projects.

7. Severability; Corrections. All pronouns contained in this Ordinance and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word “or” is not exclusive. The words “include,” “includes,” and “including” are not limiting. Any reference to a particular law, statute, rule, regulation, code, or ordinance includes the law, statute, rule, regulation, code, or ordinance as now in force and hereafter amended. If any section, subsection, sentence, clause, and/or portion of this Ordinance is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Ordinance. This Ordinance may be corrected by the Council to cure editorial and/or clerical errors.

8. Emergency Declaration. The Council finds that passage of this Ordinance is necessary for the immediate preservation of the peace, health, and safety of City’s citizens. The Council further finds that a delay of thirty (30) days prior to the effective date of this Ordinance may result in acts, omissions, and/or conditions detrimental to City and/or public welfare. Therefore, an emergency is declared to exist and this Ordinance will be in full force and effect as of June 30, 2023.

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This Ordinance was PASSED and ADOPTED by the John Day City Council by a vote of _____ for and _____ against and APPROVED by the mayor on this _____ day of June, 2023.

Heather Rookstool, Mayor

ATTEST:

By: _____

Exhibit A
Agreement

[attached]

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

This First Amended and Restated Intergovernmental Agreement to Establish Regional Rural Revitalization (R3) Strategies (this "Agreement") is dated June __, 2023, but made effective for all purposes as of July 1, 2023 (the "Effective Date"), and is entered into between Town of Lakeview ("Lakeview"), an Oregon municipal corporation, whose address is 525 North 1st Street, Lakeview, Oregon 97630, City of Burns ("Burns"), an Oregon municipal corporation, whose address is 242 South Broadway Burns, Oregon 97720, City of John Day ("John Day"), whose address is 450 East Main Street, John Day, Oregon 97845, and Baker City ("Baker"), an Oregon municipal corporation, whose address is 1655 First Street, Baker City, Oregon 97814.

RECITALS:

A. Burns and Lakeview are parties to a certain Intergovernmental Agreement to Establish Regional Rural Revitalization (R3) Strategies Consortium dated effective May 1, 2023 (the "Original Agreement"). Burns and Lakeview entered into the Original Agreement to form and organize Regional Rural Revitalization (R3) Strategies Consortium ("Consortium"), an intergovernmental entity organized under ORS chapter 190.

B. Consortium was established to provide resources necessary to assist with the execution of the parties' housing and community improvement projects. This assistance includes, without limitation, evaluating and providing logistical assistance concerning housing and community development projects (e.g., determining the feasibility and requirements of proposed projects; sources of project funding, and assisting and managing project completion).

C. John Day and Baker desire to become part of Consortium as of the Effective Date. To facilitate John Day and Baker's admission to Consortium, the Parties desire to amend and restate the Original Agreement in its entirety by their execution of this Agreement.

D. This Agreement is made pursuant to ORS 190.010, which statute provides that units of local government may enter into agreements for the performance of any functions and activities that any party to the agreement, or its officers or agents, has the authority to perform.

AGREEMENT:

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

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

2. Housing and Public Development Consortium.

2.1 Formation; Responsibility. The Parties have created the Regional Rural Revitalization (R3) Strategies Consortium ("Consortium"), an intergovernmental entity created pursuant to ORS chapter 190. Consortium's members are the Parties. Consortium will have responsibility and authority to (a) approve and evaluate proposed Projects, (b) assist and coordinate necessary logistics to complete approved Projects (including functions related thereto), and (c) subject to the terms of this Agreement and/or ORS chapter 190, perform such other duties and responsibilities assigned by the Parties from time to time. Without otherwise limiting the

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

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

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

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

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

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

3. Board of Directors.

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

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

3.2 Meetings; Decision Matrix.

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

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

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

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

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

3.3.1 The Board will have authority to perform the following: (a) oversee and have full responsibility for all matters pertaining to Consortium's operations; (b) review and approve Consortium's budget pursuant to applicable Law, including, without limitation, ORS 294.900 – ORS 294.930 (if and to the extent applicable); (c) approve capital purchase requests if not previously approved in the Budget; (d) review performance concerning implementation of Consortium's policies and the Budget; and/or (e) carry out such other activities as are necessary, required, and/or implied to accomplish Consortium's purposes, this Agreement, and/or as provided under ORS chapter 190.

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

3.3.3 Within ninety (90) days after the Effective Date, the Parties will adopt the Bylaws of Regional Rural Revitalization (R3) Strategies Consortium substantially in the form attached as Exhibit A (the "Bylaws").

4. Consortium; Managing Director.

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

4.2 Managing Director.

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

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

Director's letter of employment or contract with Consortium.

4.2.3 Subject to the terms and conditions contained in this Agreement, Consortium is responsible for all personnel or contract matters concerning the Managing Director, including, without limitation, compensation, benefits, standards of service, discipline, performance of duties, working hours, and termination. The Managing Director will not be entitled to any wages and/or benefits which accrue to employees of any Party, including, without limitation, unemployment benefits, contributions to the Public Employees Retirement System, workers' compensation insurance, medical insurance, dental insurance, and life and disability insurance. Consortium employees (including, without limitation, the Managing Director) are not employees of the Parties.

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

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

5.2 State Grant. Parties anticipate that Consortium will be initially funded through grant appropriation of \$250,000.00 from the State of Oregon (the "Grant"). If the Grant is received, the Parties anticipate applying the Grant toward Consortium's administrative, planning, and organization costs and expenses, Capital Equipment, and/or one or more Projects.

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

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

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

5.6 Consortium Consultants. If a Consortium consultant performs any services for or on behalf of a Project Sponsor (the "Consortium Consultant"), Consortium will charge (invoice) the Project Sponsor for

the Consortium Consultant's costs and expenses incurred to assist the Project Sponsor in accordance with the applicable Task Order. The Project Sponsor will pay the amount invoiced no later than thirty (30) days after invoice from Consortium.

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

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

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

6. Insurance; Indemnification; Relationship.

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

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

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

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

7. Term; Termination.

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

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

7.3 For Cause Termination.

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

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

7.4 Dissolution.

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

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

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

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

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

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

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

8. Miscellaneous.

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

8.2 Notices; Severability; Remedies. Any notice will be deemed given when personally delivered or delivered by facsimile or email transmission (with electronic confirmation of delivery), or will be deemed given three days following delivery of the notice by U.S. mail, certified, return receipt requested, postage prepaid, by the applicable Party to the address shown in Appendix A (or any other address that a Party may designate by notice to the other Parties), unless that day is a Saturday, Sunday, or legal holiday, in which event it will be deemed delivered on the next following business day. Each provision contained in this Agreement will be

treated as a separate and independent provision. The unenforceability of any one provision will in no way impair the enforceability of any other provision contained herein. Any reading of a provision causing unenforceability will yield to a construction permitting enforcement to the maximum extent permitted by applicable law. Subject to the terms and conditions contained in this Agreement, each Party will pay all wages and benefits due the Party's personnel, including, without limitation, overtime, workers' compensation, and death benefits. If a Party breaches and/or otherwise fails to perform any of the Party's representations, warranties, covenants, and/or obligations under this Agreement, the non-defaulting Party(ies) may, in addition to any other remedy provided to the non-defaulting Party(ies) under this Agreement, pursue all rights and remedies available to the non-defaulting Party(ies) under this Agreement and/or at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.

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

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

8.5 Legal Representation. Bryant, Lovlien & Jarvis, P.C. ("Law Firm") has been employed by John Day to prepare and negotiate this Agreement on behalf of John Day. Law Firm only represents John Day in connection with this Agreement. The Parties have thoroughly reviewed this Agreement with their own legal counsel or have knowingly waived their right to do so. The rule of construction that a written instrument is construed against the party preparing or drafting such agreement will specifically not be applicable in the interpretation of this Agreement and any documents executed and delivered pursuant to, or in connection with, this Agreement.

8.6 Person; Interpretation; Signatures. For purposes of this Agreement, the term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, and/or any other entity. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the Parties may require. The singular includes the plural

and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting.

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

LAKEVIEW:
Town of Lakeview,
an Oregon municipal corporation

BURNS:
City of Burns,
an Oregon municipal corporation

By: _____
Its: _____

By: _____
Its: _____

Dated: _____

Dated: _____

JOHN DAY:
City of John Day,
an Oregon municipal corporation

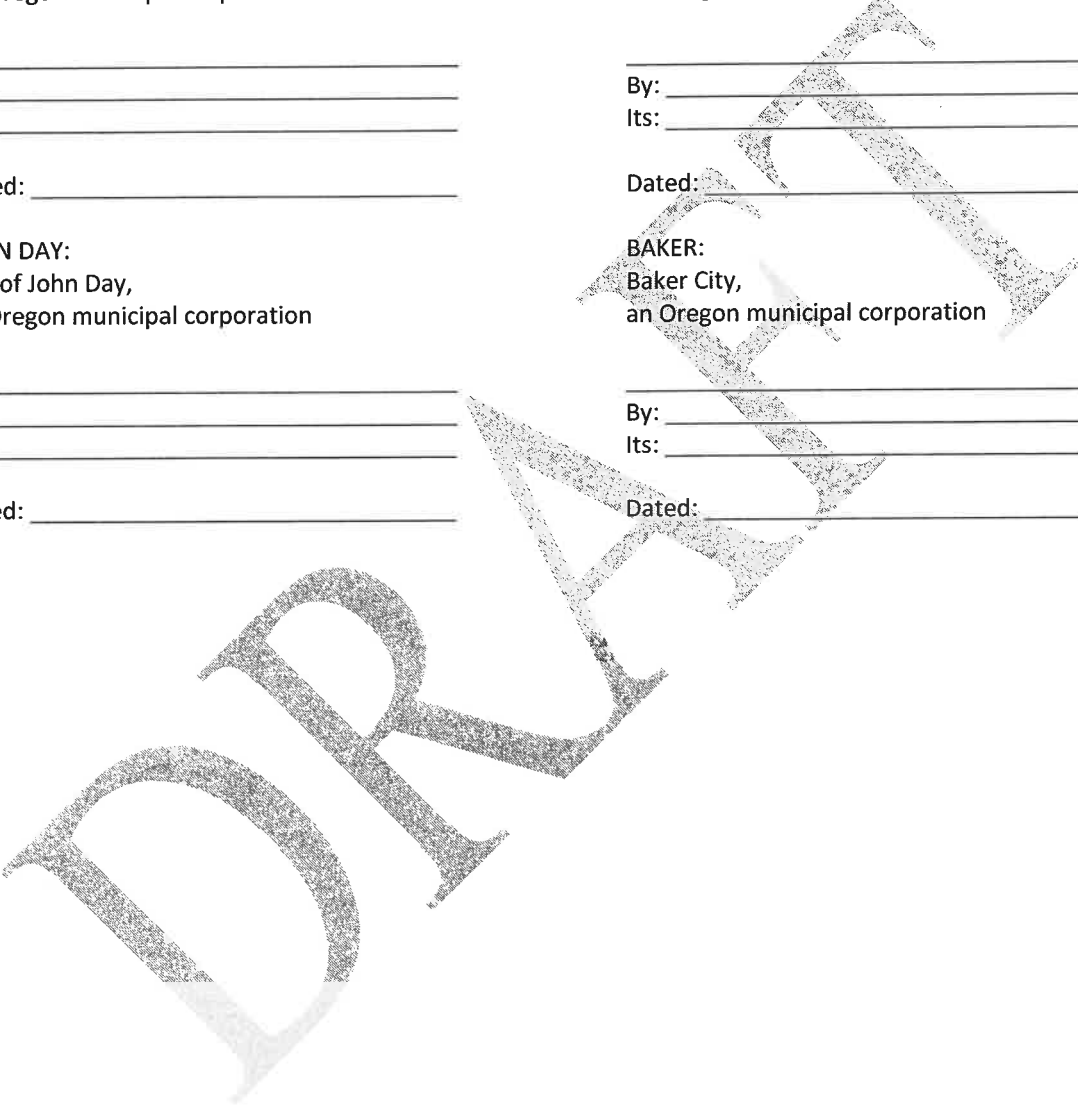
BAKER:
Baker City,
an Oregon municipal corporation

By: _____
Its: _____

By: _____
Its: _____

Dated: _____

Dated: _____



Appendix A
Definitions

“Agreement” has the meaning assigned to such term in the preamble.

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

“Baker” has the meaning assigned to such term in the preamble.

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

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

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

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

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

“Burns” has the meaning assigned to such term in the preamble.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“John Day” has the meaning assigned to such term in the preamble.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Schedule 4.2.2
Managing Director Services

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

I. General.

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

II. Housing Development.

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

III. Community Development.

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

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Schedule 5.2.2
Contribution Percentages

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

<u>Party</u>	<u>Percentage of Operational Expenses</u>
Burns	1/4 or 25%
Lakeview	1/4 or 25%
Baker	1/4 or 25%
John Day	<u>1/4 or 25%</u>
Total Contribution	4/4 or 100%

Schedule 5.9
Initial Projects

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

Table 5.9.1. Initial Projects identified for inclusion in R3

Party	Project Name	Project Description	Land Area (Acres)	New Housing Units
Burns	Miller Springs	Master Planned Development	1272	675
Burns	Telos Development	New mixed-income subdivision	TBD	190
Burns	Downtown Revitalization (Multiple Properties)	Mixed-use Redevelopment	TBD	TBD
Lakeview	Lakeview Lumber Redevelopment	Master Planned Development	TBD	TBD
Lakeview	South Lakeview Annexation & Multifamily Redevelopment	Mixed-use Redevelopment	TBD	TBD
John Day	The Ridge	Master Planned Development	80	20+
John Day	Ironwood Estates - Phase 2/3	Master Planned Development	30	76
John Day	Holmstrom Heights - Phase 2	New mixed-income subdivision	30	20
John Day	Iron Ridge Subdivision	New mixed-income subdivision	24	11
John Day	Magden Development	Master Planned Development	40	20
John Day	Weaver Building	Mixed-Use downtown tenant improvements	0.15	8
John Day	CyberMill Building	Mixed-Use downtown tenant improvements	0.15	3
John Day	Blue Mountain Hospital Workforce Housing	Downtown tenant improvements	0.2	12
Baker	Baker School District Teacher Housing	New workforce housing	TBD	TBD
Baker	Pine-Eagle School District Teacher Housing	New workforce housing	TBD	TBD
Baker	New Directions NW Supportive Housing (Memory Lane Homes)	New transitional housing	0.75	12
Baker	Downtown Revitalization (Multiple Properties)	Mixed-use redevelopment	TBD	TBD

Exhibit A
Bylaws

These Bylaws of Regional Rural Revitalization (R3) Strategies Consortium dated effective July 1, 2023 (these "Bylaws") are authorized under Section 3.3.4 of the First Amended and Restated Intergovernmental Agreement for Regional Rural Revitalization (R3) Strategies Consortium dated effective July 1, 2023 (the "Agreement").

1. NAME; FORMATION; PURPOSE; OFFICE

1.1 Name. This organization will be referred to as Regional Rural Revitalization (R3) Strategies Consortium ("Consortium").

1.2 Formation. Consortium is comprised of an association of governmental entities, established by agreement of the participating entities under the authority of the State of Oregon's Intergovernmental Cooperation Statutes, ORS 190.003 to 190.110, and formalized by the Agreement between City of John Day, City of Burns, and Town of Lakeview (each a "party" and collectively the "parties").

1.3 Purpose; Authority. Consortium has been established and organized for the purposes set forth in the Agreement. Consortium's powers and duties will be as provided in the Agreement, ORS Chapter 190, and as authorized by the parties from time to time.

1.4 Office. Consortium's office will be located at Burns, Oregon, or such other location determined by the Board (as defined below).

2. BOARD OF DIRECTORS; OFFICERS; COMMITTEES; ADVISORY BOARD

2.1 General Powers. Consortium's powers will be exercised by and under the authority of, and the affairs of Consortium managed under the direction of, the Board subject to any limitations set forth in the Agreement, these Bylaws, and/or applicable Oregon law. Without otherwise limiting the immediately preceding sentence, the Board may establish, amend, and modify rules, regulations, requirements, standards, policies, and procedures from time to time concerning Consortium's operations.

2.2 Membership. The governing body of each Party will appoint one of its elected officials to serve on the Board (each a "Standing Member"). The then-appointed Standing Members will appoint one person to serve on the Board (the "At-Large Position").

2.3 Appointment. Each Standing Member will serve at the pleasure of his or her appointing Party and may be removed and replaced by the governing body of the appointing Party. If a Standing Member vacates his or her position, the governing body of the Party that appointed the departed Standing Member will fill the vacancy. The At-large Member will be appointed, and may be removed and replaced, by the unanimous consent of the Standing Members. The At-large Member may not be an elected official, officer, and/or employee of any Party. If an At-Large Member vacates his or her position, the Standing Members will fill the vacancy.

2.4 Qualifications. The Agreement and/or these Bylaws may prescribe additional qualifications for Board members.

2.5 Terms of Office. Each Board member will serve a term of two years. Members may be appointed to serve successive terms of two years (or until their successors are duly appointed). Successive terms may be served without restriction. A decrease in the number of members or term of office does not shorten an incumbent member's term. Despite the expiration of a member's term, the member continues to serve until the member's successor is appointed.

2.6 Officers.

2.6.1 The Board may elect a chairperson and such other officers it deems advisable from its membership. The chairperson will preside at all meetings of the Board and perform other duties prescribed by the Board from time to time. The chairperson will have a vote on all questions before the Board. The chairperson may be a co-signer on checks.

2.6.2 The Board may elect a vice-chairperson from its membership who will perform the duties of the chairperson in the absence of the chairperson. Whenever the chairperson is unable to perform the functions of the office, the vice-chairperson will act as chairperson. If both the chairperson and vice-chairperson are absent from a Consortium meeting, the members present will select one member to perform the chairperson's functions at the meeting. The vice-chairperson will have a vote on all questions before the Board.

2.6.3 The Board may elect a secretary from its membership who will keep the official records of Consortium, attest signatures of Consortium, certify copies of Consortium documents, and perform other record-keeping duties prescribed by the Board. The secretary will have a vote on all questions before the Board. The secretary may be a co-signer on checks.

2.6.4 In addition to all other duties or responsibilities assigned to the officers under the Agreement, these Bylaws, and/or membership action, each officer must regularly attend Board meetings and must notify the chair (or vice chair in case of the chair) when he or she is unable to attend a Board meeting. Should an officer's position become vacant, the membership will promptly elect a successor from its members for the unexpired term of such office. The membership may remove an officer at any time with or without cause.

2.7 Resignation. A member may resign at any time by delivering written notice to the Board, the chairperson, vice-chairperson, or secretary. A resignation is effective upon receipt of the written notice unless the notice specifies a later effective date. Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the Board.

2.8 Removal. A member may be removed with or without cause, unless the Agreement or these Bylaws provides that members may be removed only for cause, by the unanimous consent of all other members then in office; provided, however, if at the beginning of a member's term on the Board, the Agreement or these Bylaws provide that the member may be removed for reasons set forth in the Agreement or these Bylaws, the Board may remove the member for such reasons.

2.9 Vacancies. Unless the Agreement or these Bylaws provide otherwise, if a vacancy occurs on the Board, whether in the event of death, resignation, removal, or otherwise, the governing body of the Party that appointed the departed member will appoint a successor to fill the unexpired term as soon as possible. A vacancy concerning an at-large member position will be filled by the unanimous vote of the party-appointed Board members

2.10 Compensation. Members will not receive any stated salaries or compensation for their services as members but may be reimbursed for reasonable expenses. Nothing herein will be construed to preclude any member from serving Consortium in any other capacity and receiving compensation therefore.

2.11 Committees; Advisory Board. Unless ORS chapter 190 or the Agreement provide otherwise, the Board may (a) create one or more committees of the Board which exercise the authority of the Board, (b) appoint members of the Board to serve on such committees, and (c) designate the method of selecting committee members. Each committee must consist of two or more Board members, who serve at the pleasure of the Board. Board members may also elect to form an advisory board made up of five independent members who are external advisors appointed for their knowledge and direct experience in the Consortium's mission. The advisory board members will provide non-binding strategic advice to the Board.

3. MEETINGS; ACTION OF THE BOARD

3.1 Regular Meetings. Subject to and in accordance with Oregon Public Meetings Law, the Board will hold a regular meeting at least once quarterly, at such time and at a place which it designates. A regular meeting may be continued, postponed, cancelled, or adjourned to a later date by a majority of Board members present and voting, and notice of such adjourned meeting will be given to all Consortium parties.

3.2 Special Meetings. The chairperson may, when the chairperson deems it expedient, or within seventy-two (72) hours after receiving a request from two or more members of the Board, call a special meeting of the Board to be held at the regular meeting place, unless otherwise specified in the call, for the purpose of transacting any business designated. Notice of the special meeting will be given to all Consortium parties at the time of the call and will be given to the public in accordance with Oregon's Public Meetings Law.

3.3 Open Meetings. All meetings, deliberations, and proceedings of Consortium will be public except as state law allows otherwise.

3.4 Quorum; Voting. A majority of the then-appointed Board members will constitute a quorum for the purpose of conducting its business, exercising its powers, and for all other purposes. Except as the Agreement and/or applicable Law requires otherwise, the unanimous consent (approval) of all Standing Members is necessary to decide any question and/or take any action before the Board. Each Board member will be entitled to vote on all Board decisions, subject to applicable Laws.

3.5 Manner of Voting. Voting will be by record vote. The ayes and nays will be entered into the minutes of such meeting. Board members present and not voting and Board members absent will be entered into the minutes of such meeting.

3.6 Order of Business. At the regular meetings of the Board, the following will be substantially the order of business: (a) call to order; (b) roll call; (c) consent agenda and approval of minutes of previous meeting; (d) Consortium business; and (e) adjourn.

3.7 Robert's Rules. Unless otherwise provided by applicable law or these Bylaws, all rules of order not herein provided for will be determined in accordance with *Robert's Rules of Order Newly Revised*.

3.8 Minutes; Resolutions. The secretary or the lead entity's designee will keep an accurate record of all Board proceedings, including written minutes or recordings of all meetings in accordance with applicable law. Board minutes are a public record available for public inspection subject to applicable law. All Board resolutions will be in writing.

4. STANDARDS OF CONDUCT

4.1 General Standards. Board members must discharge the member's duties (a) in good faith, (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and (c) in a manner the member reasonably believes to be in the best interests of Consortium. In discharging the duties of a member, a member is entitled to rely on (x) information, opinions, reports, or statements (including financial statements and other financial data) prepared or presented by one or more officers or employees of Consortium (or lead entity) whom the member reasonably believes to be reliable and competent in the matters presented, or (y) legal counsel, public accountants, or other persons as to matters the member reasonably believes are within the person's professional or expert competence. A member is not acting in good faith if the member has knowledge concerning the matter in question that makes reliance otherwise permitted under this Section 4.1 unwarranted. A member is not liable to Consortium for any action taken or not taken as a member if the member acted in compliance with this Section 4.1. A member will not be deemed a trustee with respect to Consortium or with respect to any property held or administered by Consortium, including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

4.2 Member Conflict of Interest. Notwithstanding anything contained in these Bylaws to the contrary, a member will not participate in any Consortium proceeding or action in which the member is presented with an actual conflict of interest as defined under ORS Chapter 244. A transaction in which a member has a conflict of interest may be approved by vote of the Board subject to and in accordance with applicable law, including, without limitation, ORS Chapter 244.

5. CONSORTIUM RECORDS; AMENDMENTS

5.1 Consortium Records. Consortium will keep as permanent records minutes of all meetings of the Board subject to and in accordance with applicable law, including, without limitation, Oregon's Public Records Law. Consortium must maintain appropriate accounting records. Consortium must maintain its records in written form or in another form capable of conversion into written form within a reasonable time. In addition to any other records required to be maintained under applicable law, and subject to and in accordance with applicable law, including, without limitation, Oregon's Public Records Law, Consortium must keep a copy of the following records: (a) the Agreement (and all amendments to it currently in effect); (b) bylaws or restated bylaws (and all amendments to them currently in effect); (c) a list of the names and party representation of current Board members and officers; (d) the last three annual financial statements, if any, which may be consolidated or combined statements of Consortium and one or more of its subsidiaries or affiliates, as appropriate, including a balance sheet and statement of operations, if any, for that year, which must be prepared in accordance with Oregon Local Budget Law; and (e) the last three accountant's reports if annual financial statements are reported upon by a public accountant. Notwithstanding anything contained in these Bylaws to the contrary, budget procedures will follow budget law of the State of Oregon for intergovernmental entities. An annual audit of the fund(s) of Consortium will be performed in accordance with applicable law.

5.2 Bylaw Amendments. The Board may, by resolution of the Board, adopt one or more amendments to these Bylaws by vote of a majority of the entire Board, provided that the proposed amendment(s) has been submitted in writing to all parties at least five days prior to the meeting where the amendment is to be considered and that Board members have been notified of the meeting and its purpose at least ten (10) days prior to the meeting. Consortium must provide notice of any meeting of the Board at which an amendment is to be approved in accordance with Oregon's Public Meetings Law. The notice must also state that the purpose or one of the purposes of the meeting is to consider a proposed amendment to these Bylaws and contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment.