

FIRST AMENDED AND RESTATED PROMISSORY NOTE

July 31, 2016
Yamhill County, Oregon

For value received, Yamhill County, a political subdivision of the State of Oregon (hereinafter "Borrower") unconditionally promises to pay to the State of Oregon, acting by and through its Department of Transportation (hereinafter "State"), or order, at 350 Capitol St. NE, Salem, OR 97301-3871 or such other place as the State may designate in writing, the principal sum of TEN MILLION THREE HUNDRED SIXTY-SIX THOUSAND SIX HUNDRED FORTY and No/100 Dollars (\$10,366,640.00), or so much thereof as is disbursed and not repaid, plus interest from the date hereof on the unpaid principal balance until paid. Any capitalized terms not defined in this First Amended and Restated Promissory Note ("Note") shall have the meanings assigned to such terms in that certain loan agreement of even date herewith between the State and Borrower (as amended on or about the date hereof and as may be further amended from time to time the "Loan Agreement").

The interest rate shall be Two and 26/100 Percent (2.26%) per annum. Interest shall be computed on the basis of a 360-day year, consisting of twelve (12), thirty (30) day months.

Principal and interest shall be payable at the times and in the amounts specified on the repayment schedule on Exhibit A attached hereto and by this reference made a part hereof, and the outstanding principal balance of the Note, together with accrued unpaid interest, shall be due and payable on the Maturity Date. Each payment made by the Borrower hereunder shall be applied first to the State's expenses under the Loan Agreement, then to interest then due and payable on the Loan, then to the principal of the Loan unless the Loan Agreement provides otherwise.

This Note is not payable prior to its maturity except as provided for in Section 2.06 of the Loan Agreement.

This Note is given to avoid the execution by Borrower of an individual note for each advance by State to Borrower. In consideration thereof, Borrower agrees that State's record entries of transactions pursuant to this Note, shall be conclusive evidence of borrowings and payments made pursuant hereto, absent manifest error.

In the event that the Borrower receives written notification from the State that payments made pursuant to the Loan Agreement have been assigned, all payments hereunder shall be made directly to the assignee pursuant to such assignment.

If an Event of Default occurs, the outstanding balance hereunder, including principal, interest and other charges, if any, shall, at the option of the State, become immediately due and payable. Presentment, demand, protest, and notice of dishonor, protest and nonpayment are waived by the Borrower.

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

The terms, provisions and covenants contained in this Note shall apply to, inure to the benefit of, and bind the parties hereto and their respective successors and assigns.

This Note shall be governed by and construed in accordance with the laws of the State of Oregon (without giving effect to its conflicts of law principles).

This Note is subject to the terms and conditions of the Loan Agreement. The indebtedness evidenced by this Note is secured by the collateral described in the Loan Agreement.

This Note amends and restates in its entirety that certain Promissory Note, in the original principal amount of Ten Million Three Hundred Sixty-Six Thousand Six Hundred Forty Dollars (\$10,366,640), made by Borrower and payable to the order of State dated July 1, 2013 (the "Existing Note"), and is given in replacement of the Existing Note, but not in payment or satisfaction thereof. To the extent this Note is the same as the Existing Note, it is a continuation thereof and to the extent this Note is different from the Existing Note, it is an amendment thereof.

Yamhill County

By: Laura A. Tschabold

Name & Title (print): Laura S. Tschabold, County Administrator

NOTICE TO BORROWER

DO NOT SIGN THIS NOTE BEFORE YOU READ IT.

Accepted by Yamhill County
Board of Commissioners on
8.18.16 by Board Order
16-340

Exhibit A to First Amended and Restated Promissory Note

Repayment Schedule

Borrower: Yamhill County

Payment Due Date:	Amount Due:
January 25, 2014	Accrued unpaid interest
January 25, 2015	Accrued unpaid interest
January 25, 2016	Accrued unpaid interest
January 25, 2017	Accrued unpaid interest
January 1, 2018	Accrued unpaid interest
July 1, 2018 and the first day of each July thereafter	Installment payment of principal and interest of \$655,259.79
Maturity Date (July 1, 2037)	The remaining principal and interest due on the Loan

FIRST AMENDMENT TO LOAN AGREEMENT

THIS FIRST AMENDMENT TO LOAN AGREEMENT ("Amendment") is made and entered into as of the 31st day of July 2016, by and between the State of Oregon, acting by and through its Department of Transportation (the "State"), and Yamhill County, a political subdivision of the State of Oregon, and its successors and permitted assigns (the "Borrower"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement (as defined below).

WITNESSETH

WHEREAS, the State and the Borrower entered into that certain loan agreement, dated July 1, 2013 (as amended from time to time, the "Loan Agreement") pursuant to which the State agreed to make a loan to Borrower in the principal amount of Ten Million Three Hundred Sixty-Six Thousand Six Hundred Forty Dollars (\$10,366,640) (the "Loan") to finance Borrower's portion of the costs of construction of Phase 1 of the Newberg-Dundee Bypass (the "Project");

WHEREAS, in connection with the Loan, the Borrower executed and delivered to the State a promissory note dated July 1, 2013 (as amended, extended, or renewed from time to time, the "Note"); and

WHEREAS, the schedule for the Project has been modified and the scope of the Project expanded to include acquisition of Right of Way for Phase 2 of the Newberg-Dundee Bypass and the State and the Borrower desire to modify certain terms and conditions of the Loan Agreement and the Note consistent with the changes to the Project schedule and scope.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the State and the Borrower mutually agree as follows:

1. The definitions of "Maturity Date", "Project Completion Date" and "Project Completion Deadline" in Section 1.01 of the Loan Agreement are amended to read as follows:

"Maturity Date" means the date on which the Loan is payable in full, which date shall be, July 1, 2037.

"Project Completion Date" means the earlier of

(i) the date on which all of the proceeds of the Loan, including any investment earnings derived from the investment of such proceeds, have been spent; or

(ii) the date on which ODOT completes construction of the Project; or

(iii) December 31, 2017.

"Project Completion Deadline" means December 31, 2017."

2. Section 2.03 of the Loan Agreement is hereby amended to read as follows:

Section 2.03. Loan Term. The term of the Loan is set forth in the Note. The term of the Loan commences on the date of the first disbursement of the Loan and ends on the Maturity Date, which is July 1, 2037.

3. Exhibit A to the Loan Agreement is hereby amended to read as follows:

Project Description

Borrower: Yamhill County

ODOT will construct Phase 1 of the Newberg-Dundee Bypass and purchase Right of Way for Phase 2 of the Newberg-Dundee Bypass.

The Bypass encompasses a section of Oregon 99W that extends northeast across Yamhill County from the Oregon 99W/Oregon 18 intersection to Rex Hill east of Newberg. The Bypass corridor will be at least 330' wide, be located along the south sides of Newberg and Dundee, and be approximately 11 miles long. The eastern terminus is located east of Newberg in the Rex Hill area of Oregon 99W at mile post 20.08. The western terminus is located where Oregon 99W intersects with Oregon 18 (McDougal Corner) west of Dundee near Dayton at Oregon 18 mile post 51.84.

The Bypass includes the following proposed interchanges:

- Dayton Interchange – located at the junction of Oregon 99W and Oregon 18 and represents the western terminus of the Bypass; it replaces the existing Oregon 18/Oregon 99W intersection at McDougal Corner and the South Dundee Interchange.
- East Dundee Interchange – located between Dundee and Newberg; a new connector road will link the interchange at Oregon 99W to the Bypass.
- Oregon 219 Interchange – located in south Newberg along Oregon 219.
- East Newberg Interchange - located southwest of Rex Hill; this interchange will be the eastern terminus of the Bypass

Phase 1 of the Bypass will begin at a new signalized intersection on Oregon 219, traveling through south Newberg into Dundee. South of Dundee, Phase 1 will leave the eventual full Bypass alignment, proceeding west, parallel to the Dundee city limits, and cross over the Willamette and Pacific Railroad and Oregon 99W. After crossing over Oregon 99W, Phase 1 of the Bypass will loop around and connect to Oregon 99W at a new signalized intersection.

Other Phase 1 improvements include:

- Additional southbound left turn lane on Oregon 99W at Springbrook Road.
- Widening Springbrook Road to three lanes (one northbound lane, one southbound lane, and a center left turn between Oregon 99W and Oregon 219)

4. Exhibit B to the Loan Agreement is hereby amended to be read as follows:

Approved Project Budget

Borrower: Yamhill County

Borrower's Portion of the Costs of Project (in dollars): \$10,366,640

Sources	
ODOT/JTA	\$192,000,000
STIP	31,750,968
Confederated Tribes of Grand Ronde	4,000,000
City of Dundee (OTIB Loan)	315,200
City of McMinnville (OTIB Loan)	3,209,600
City of Newberg (OTIB Loan)	2,211,200
Yamhill County (OTIB Loan)	10,366,640
Total	\$243,853,608
Uses	
Construction	\$132,754,730
Preliminary Engineering (Phase 1)	42,073,396
Preliminary Engineering (Phase 2)	200,000
Right of Way (Phase 1)	50,528,533
Right of Way (Phase 2)	10,300,000
Utility Relocation	5,400,000
Loan Fees	160,000
Other	2,436,950
Total	\$243,853,608

5. This Amendment may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

6. Except as specifically modified above, all other terms and conditions of the Loan Agreement and the Note remain unchanged and in full force and effect.

7. Concurrently with the execution of this Amendment, Borrower has executed and delivered to the State a First Amended and Restated Promissory Note evidencing the Loan, as its terms are amended by this Amendment, and the State hereby accepts the First Amended and Restated Promissory Note in replacement of, but not in payment or satisfaction of, the existing Note.

IN WITNESS WHEREOF, the State and Borrower have caused this First Amendment to Loan Agreement to be executed and delivered as of the date set forth in the first paragraph above.

STATE OF OREGON, acting by and through its Department of Transportation

Yamhill County, Oregon
Borrower

By: Tracy D. Wroblewski

By: Laura S. Tschabold

Tracy D. Wroblewski

Name: Laura S. Tschabold

Chief Financial Officer

Title: County Administrator

Approved As To Form
by Christian Boenisch
Christian Boenisch
County Counsel
Yamhill County

Accepted by Yamhill County
Board of Commissioners on
8.18.14 by Board Order
16-340



LOAN HISTORY
Yamhill County
 OTIB Loan # 0049

Loan Date: 7/1/2013 Remaining Draws: \$ 2,758,083.63 Maturity Date: 1/25/2036
 Loan Amt: \$10,366,640.00 Balance: \$ 7,608,556.37 Interest Rate: 2.26%

Transaction Date	DISBURSEMENT	PAYMENT AMOUNT	ACCRUED INTEREST	PAID TO	# DAYS	PAID INTEREST	PRINCIPAL	BALANCE	UNPAID INTEREST
4/1/2015	\$ 103,666.40		\$ -	4/1/2015		\$ -		\$ 103,666.40	
4/1/2015	1,383,390.59		-	4/1/2015 0		-		1,487,056.99	
7/1/2015	887,518.49		8,401.87	7/1/2015 90		-		2,374,575.48	8,401.87
10/1/2015	2,404,735.03		13,416.35	10/1/2015 90		-		4,779,310.51	21,818.22
1/20/2016	-	48,821.32	27,003.10	1/1/2016 90		48,821.32		4,779,310.51	-
4/1/2016	1,602,704.18		27,003.10	4/1/2016 90		-		6,382,014.69	27,003.10
1/1/2017	1,226,541.68		108,175.15	1/1/2017 270		-		7,608,556.37	135,178.25
	\$ 7,608,556.37	\$ 48,821.32	\$ 75,824.42			\$ 48,821.32			

Exhibit "A"