

**Intergovernmental Agreement for
Distribution of the Community Service Fee Under ORS 285C.623(6)**

The governments of Yamhill County ("County"), the West Valley Fire District (the "Fire District"), the Yamhill Soil & Water Conservation District (the "Soil & Water District") and the Yamhill County Extension Service District (the "Extension Service District") (collectively "the Parties"), hereby enter into this Intergovernmental Agreement (the "Agreement") pursuant to Oregon Revised Statutes ("ORS") Chapter 190. The parties have entered into this Agreement to comply with the requirements of ORS 285C.623(6) by setting forth an agreed upon distribution schedule for the annual community services fee ("Fee Payment") collected from a project located in Yamhill County, as required under ORS 285C.600 to 285C.635 and 307.123.

RECITAL AND FINDINGS:

- WHEREAS: the Oregon Legislature has established the Strategic Investment Program ("SIP") to promote industrial competitiveness and to improve employment in the area where projects are to be located (see ORS 307.123 and ORS 285C.600-285C.620); and
- WHEREAS: the SIP provides for local governments to enter into agreements with business firms engaged in a traded-sector industry, in order to attract and retain long-term investment and employment in exchange for limitations on the taxable assessment of property.
- WHEREAS: Hampton Lumber Mills, Inc, an Oregon corporation, (hereinafter "Hampton") has entered into an agreement (the "SIP Agreement") to receive strategic investment program ("SIP") tax treatment under ORS Chapter 285C for its project located within Yamhill County.
- WHEREAS: Pursuant to the SIP Agreement, Hampton will make an annual Fee Payment to the County, in an amount equal to 25 percent of the property tax savings resulting from the SIP exemption on Hampton's property constituting the Project (as defined in the SIP Agreement) located in Yamhill County, up to a maximum in any one year of 2.5 million. The actual annual Fee Payment received by the County each year may differ.
- WHEREAS: Pursuant to ORS 285C.623(6), the County shall distribute the collected Fee Payment based on an additional agreement that is entered into among the Parties, constituting local taxing districts listed under ORS 198.010 or 198.180 that make up at least 75 percent or more of all such districts that are in the code area in which the Project is located.
- NOW, THEREFORE, in consideration of mutual agreements, covenants and promises contained hereunder, the parties do hereby agree as follows:

1. Distribution and Disbursement

The County shall distribute the annual Fee Payment collected from Hampton under the SIP Agreement according to the following distribution schedule:

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Yamhill County	95.5%
Fire District	1.5%
Soil & Water District	1.5%
Extension Service District	1.5%
TOTAL	100%

The County's obligations hereunder are contingent upon receipt of the annual Fee Payment from Hampton. In no event will County be responsible to any party or local taxing district for annual Fee Payment funds not actually received from Hampton.

2. Use of Portion of Fee Payment for Mitigation

The County's distribution percentage set forth above is the result of negotiations between the parties whereby the County agreed to reduce its distribution percentage. This is reflected in an increase to the distribution percentages of the Fire District, the Soil & Water District and the Extension Service District. In consideration for the County reducing its distribution percentage, the Fire District, the Soil & Water District and the Extension Service District hereby agree that, to the maximum extent permitted by applicable law, the portion of funds received from their respective percentage increases shall be used exclusively to mitigate the loss of abated property taxes as well as mitigate the direct impacts of the subject Project on the community.

3. Reporting and Administration

- i. With each disbursement, the County shall provide to each party and local taxing district a statement showing the total annual Fee Payment received and the amounts distributed to each party and local taxing district.
- ii. The County shall promptly notify all parties if Hampton fails to make the Fee Payment or is no longer required to submit the Fee Payment.
- iii. Upon request, the Fire District, Soil & Water District and Extension Service District agree to provide the County a reasonable accounting of how funds from their respective percentage increases were used to mitigate the loss of abated property taxes and/or mitigate the direct impacts of the subject Project on the community.

4. Effective Date/Term of Agreement

- i. This Agreement shall be effective upon the date of its final execution by signature of all parties, or on the date of determination by the Oregon Economic and Community Development Commission that Hampton's project shall receive SIP tax treatment, whichever occurs later.
- ii. The Agreement shall expire upon the earlier of the expiration of the 15-year abatement period or termination of the SIP Agreement.

5. Additional terms and conditions

- i. **Rights and Remedies.** Any party may terminate this Agreement in the event of a breach

of the Agreement by the other. Prior to such termination however, the party seeking the termination shall give the breaching party written notice of the breach and of the party's intent to terminate. If the breaching party has not entirely cured the breach within fifteen (15) days of deemed or actual receipt of the notice, then the party giving notice may terminate the Agreement at any time thereafter by giving written notice of termination stating the effective date of the termination. Upon termination for breach, each party shall have all rights and remedies available to it at law, in equity, or under this Agreement.

- ii. **Oregon Law and Forum.** This Agreement, and all rights, obligations, and disputes arising out of it will be governed by and construed in accordance with the laws of the State of Oregon and the ordinances of Yamhill County without giving effect to the conflict of law provisions thereof. Any claim between the parties that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Yamhill County for the State of Oregon; provided, however, if a claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this section be construed as a waiver by the parties 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 or from the jurisdiction of any court.
- iii. **Compliance with Applicable Law.** All parties shall comply with all applicable local, state and federal ordinances, statutes, laws and regulations. All provisions of law required to be a part of this Agreement, whether listed or otherwise, are hereby integrated and adopted herein. Failure to comply with such obligations is a material breach of this Agreement.
- iv. **Debt Limitation.** This Agreement is expressly subject to the limitations of the Oregon Constitution and Oregon Tort Claims Act, and is contingent upon appropriation of funds. Any provisions herein that conflict with the above referenced laws are deemed inoperative to that extent.
- v. **Severability.** If any provision of this Agreement is found to be unconstitutional, illegal or unenforceable, this Agreement nevertheless shall remain in full force and effect and the offending provision shall be stricken. The Court or other authorized body finding such provision unconstitutional, illegal or unenforceable shall construe this Agreement without such provision to give effect to the maximum extent possible the intentions of the Parties.
- vi. **Integration, Amendment and Waiver.** Except as otherwise set forth herein, this Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind any party unless in writing and signed by all parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of any party to enforce any provision of this Agreement shall not constitute a waiver by that party of that or any other provision.
- vii. **No Third-Party Beneficiary.** The undersigned parties 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.

- viii. **Counterparts.** This Agreement may be executed in several counterparts (electronic or otherwise), each of which shall be an original, all of which shall constitute the same instrument.
- ix. **Survival.** All provisions which by their context are intended to survive shall survive the termination of this Agreement.
- x. **Necessary Acts.** Each party shall execute and deliver to the others all such further instruments and documents as may be reasonably necessary to carry out this Agreement.
- xi. **No Attorney Fees.** In the event any arbitration, action or proceeding, including any bankruptcy proceeding, is instituted to enforce any term of this Agreement, each party shall be responsible for its own attorneys' fees and expenses.

Pursuant to ORS 285C.623, this Agreement is entered into by and between the County, the Fire District, the Soil & Water District and the Extension Service District.

Yamhill County

Lindsay Berschauer

Print Name: Lindsay Berschauer

Title: Commissioner

Date: 11/9/23

West Valley Fire District

Print Name: _____

Title: _____

Date: _____

Yamhill Soil & Water Conservation District

Print Name: _____

Title: _____

Date: _____

Yamhill County Extension Service District

Lindsay Berschauer

Print Name: Lindsay Berschauer

Title: Chair - Board of Directors

Date: 11/9/23

Accepted by Yamhill County
Board of Commissioners on

11.9.23 by Board Order

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Yamhill County

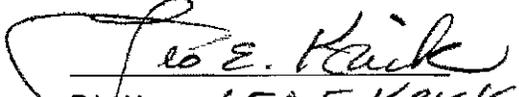
West Valley Fire District

Print Name: _____
Title: _____
Date: _____

Print Name: _____
Title: _____
Date: _____

Yamhill Soil & Water Conservation District

Yamhill County Extension Service District


Print Name: LEO E. KRICK
Title: Board Secretary
Date: 11-8-23

Print Name: _____
Title: _____
Date: _____

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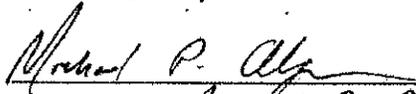
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Yamhill County

Print Name: _____
Title: _____
Date: _____

West Valley Fire District


Print Name: Michael P. Aljan
Title: President WVFB
Date: 10-19-23

Yamhill Soil & Water Conservation District

Print Name: _____
Title: _____
Date: _____

Yamhill County Extension Service District

Print Name: _____
Title: _____
Date: _____