

**INTERGOVERNMENTAL AGREEMENT FOR
REIMBURSEMENT TO COUNTY BY PORT FOR
COUNTY IMPROVEMENTS AND ADVANCES**

November
~~September~~, 2006, by and between **GILLIAM COUNTY, OREGON**, a political subdivision of the State of Oregon, hereinafter called "County," and the **PORT OF ARLINGTON**, a municipal corporation, hereinafter called "Port,"

W I T N E S S E T H :

WHEREAS, County and Port have entered into a previous agreement concerning the Willow Creek Port Project; and

WHEREAS, Port and County agree that County has provided over One Million Dollars (\$1,000,000.00) worth of work and advancement to Port for the Port's Project and development, and Port agrees to partially reimburse County for its contributions to said Port Project; and

WHEREAS, the parties have developed a process by which Port can reimburse County for its costs and expenses heretofore made on the Project; and

WHEREAS, the parties agree that Port shall reimburse County for the amount of Seven Hundred Fifty Thousand Dollars (\$750,000.00);

NOW, THEREFORE, in consideration of the mutual covenants of the parties, each to the other giving, the parties do agree as follows:

1. Port agrees to allow County to crush rock in the Port's rock quarry for sale to third parties.
2. County agrees to crush up to Seventy-Five Thousand (75,000) cubic yards of rock to specifications which will enable the rock to be sold by Port to W. I. Construction, Inc., an Oregon corporation, at the rate of Seven Dollars (\$7.00) per cubic yard.
3. Upon sale of the rock, Port agrees to retain Seventy-Five Cents (75¢) per cubic yard and to pay to County, in the form of reimbursement, Six Dollars Twenty-Five Cents (\$6.25) per cubic yard for each cubic yard sold.
4. It is anticipated that upon sale of Seventy-Five Thousand (75,000) cubic yards of rock, the Port shall be able to reimburse County in the total amount of Four Hundred Sixty-Eight Thousand Seven Hundred Fifty Dollars (\$468,750.00).

5. The balance of the Seven Hundred Fifty Thousand Dollars (\$750,000.00), which Port agrees to reimburse to County, shall be paid from charges made by Port for all waste coming across Port property after such payments are commenced. Port shall pay to County the amount of Ten Cents (10¢) per ton for all waste being transported across Port property once the barge transportation dock process is on-going and surcharges for waste transported across Port property have been paid. The Port agrees to set aside Ten Cents (10¢) per ton from all charges paid to Port and to pay this sum over to County until the remaining amount of the Seven Hundred Fifty Thousand Dollars (\$750,000.00) owed to County has been paid.

6. Modification of this agreement may be accomplished by written agreement between County and Port and no oral understandings or agreements shall suffice to alter the terms of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in duplicate this day and year first above written.

COUNTY: GILLIAM COUNTY, OREGON

By James M. Fryer

By [Signature]

By Frank Bettencourt

PORT: PORT OF ARLINGTON

By Timothy J. Walker

By Julius A. Conner

By Richard W. Bende

**INTERGOVERNMENTAL AGREEMENT DEFINING
RESPONSIBILITIES AND DUTIES UNDER
CONNECT OREGON GRANT**

November THIS INTERGOVERNMENTAL AGREEMENT, made this 3 day of November, 2006, by and between GILLIAM COUNTY, OREGON, a political subdivision of the State of Oregon, hereinafter called "County," and the PORT OF ARLINGTON, a municipal corporation, hereinafter called "Port,"

WITNESSETH:

WHEREAS, County and Port applied for and received jointly, as co-applicants, a Connect Oregon Grant in the amount of \$1,894,000.00; and

WHEREAS, upon receiving the grant, the parties wish to define their respective roles in the Project and, pursuant to ORS Chapter 190, agree to enter into an intergovernmental agreement defining their roles;

NOW, THEREFORE, in consideration of the mutual covenants of the parties, each to the other giving, the parties do agree as follows:

1. Duties of the County.

a. The County will provide in-kind services, for a total amount not to exceed \$218,000.00, as follows:

(1) Road construction to the dock.

(a) Drill, blast and cut the road into the quarry.

(b) Crush the rock and place the crushed rock on the road that is constructed.

(c) Excavate the road cut into the quarry area and remove all the old pavement.

(d) Repair the old highway road for truck traffic.

(e) Finish the railroad frontage road.

(2) Site preparation at the dock, including building the rock base for the ramp.

b. The County shall finance the following:

- (1) Final dock design in an amount up to \$88,000.00;
- (2) Dock Project management up to a total of \$48,506.00;
- (3) All permits up to a maximum of \$12,000.00;
- (4) Dock inspections up to a maximum of \$10,000.00;
- (5) Extension of electric lines and lighting for an amount up to \$160,000.00;
- (6) Development of a waste water process up to a maximum of \$90,000.00.
- (7) The total amount that the County will finance shall not exceed the grand total of \$408,506.00.

c. The above amounts of \$408,506.00 cash contribution and \$218,000.00 in-kind contribution provides more than the match required by the Connect Oregon Grant and is the County's total final contribution to the Project. Any and all Project over-runs shall be the responsibility of the Port.

2. Duties of the Port.

a. The Port hereby agrees to accept total responsibility for the Connect Oregon Grant in the amount of \$1,894,000.00, including the work to be completed thereunder.

b. The work to be completed by the Port includes:

- (1) Construction of the foundation for the access dock ramp and dock;
- (2) Construction of the dock;
- (3) A maximum of ten (10) dolphins.

c. This work, including all aspects of the project must be completed by June 30, 2007. The Port shall be responsible to follow all laws concerning public contracting and procurement and comply with all State and Federal rules concerning bidding and wages, together with all laws concerning discrimination.

3. **Advancement of Funds.** The Connect Oregon Grant is based on the State reimbursing the parties for money spent. County agrees to advance Project funds to Port from time-to-time as needed and Port will immediately reimburse County as grant money is received from the State of Oregon. The amount of funds to be advanced by County to Port for the Project shall not exceed \$200,000.00 prior to Port reimbursing County for the advancement.

4. **Port to be in Charge of Project.** Port has declared its intent to run the Project and accepts full responsibility for the Project's completion. The Port agrees to indemnify and hold County harmless from duties and responsibilities under the grant and, in the event any suit is brought against County because of County being a co-applicant for the grant, Port agrees to defend County at Port's sole cost and expense.

5. **Modifications.** Modification of this agreement may be accomplished by written agreement between County and Port and no oral understandings or agreements shall suffice to alter the terms of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in duplicate this day and year first above written.

COUNTY: GILLIAM COUNTY, OREGON

By Laura M. Pryor

By [Signature]

By Frank Bettendorf

PORT: PORT OF ARLINGTON

By Timothy J. Wetzel

By [Signature]

By Richard W. [Signature]