

GRANT AGREEMENT
ConnectOregon IV
MULTIMODAL TRANSPORTATION FUND PROGRAM 2012
Project Name: Runway 16/34 Rehabilitation

THIS GRANT PROGRAM AGREEMENT, hereinafter referred to as "Agreement" is made and entered into by and between the STATE OF OREGON, acting by and through its Department of Transportation, hereinafter referred to as "ODOT," and City of Newport, acting by and through its elected officials, hereinafter referred to as "Recipient," hereinafter individually referred to as the "Party" and collectively referred to as the "Parties."

RECITALS

1. By the authority granted in Oregon Revised Statute (ORS) 190.110, 366.572, and 366.576, state agencies may enter into agreements with counties, cities, and units of local government for the performance of any or all functions and activities that a party to the agreement, its officers, or agents have the authority to perform.
2. By the authority granted in *ConnectOregon* Partnership – Program Administration Agreement No. 28466, incorporated herein and by this reference made a part hereof, ODOT may enter into this Agreement for the performance of work on Projects.
3. Pursuant to ORS 367.080 through 367.086, there is established the Multimodal Transportation Fund, separate and distinct from the General Fund, allowing for the issuance of lottery bonds for the purpose of financing grants and loans to fund Transportation Projects to public bodies and private entities that involve air, marine, rail or public transit.
4. The Multimodal Transportation Fund Program began through *ConnectOregon*, a one hundred million dollar (\$100,000,000) lottery-bond-based initiative approved by the Oregon Legislative Assembly in 2005 (Oregon Laws 2005, Chapter 816), to invest in air, rail, public transit, and marine transportation projects to ensure Oregon's transportation system is strong, diverse and efficient. The Oregon Legislative Assembly added an additional one hundred million dollars (\$100,000,000) in 2007 (Oregon Laws 2007, Chapter 859), one hundred million dollars (\$100,000,000) in 2009 (Oregon Laws 2009, Chapter 865 – HB 2001), and forty million dollars (\$40,000,000) in 2011 (Oregon Laws 2011, Chapter 624, HB 5036. The Multimodal Transportation Fund Program is focused on improving the connections between air, rail, marine and transit modes of transportation to reduce transportation costs to businesses, remove key bottlenecks, and increase connectivity.
5. The receipt and use of Multimodal Transportation Funds and the execution of this Agreement by Recipient are subject to conditions imposed by ORS 367.080 through 367.086 and Oregon Administrative Rule (OAR) Chapter 731, Division 35.
6. The Oregon Transportation Commission approved the projects to be funded under the Multimodal Transportation Fund Program at its August 2012 meeting. The

Oregon Transportation Commission has set specific conditions on all approved projects and the inability to meet these Oregon Transportation Commission conditions may result in a loss of Project funding. Final approval for Project is subject to meeting all the Oregon Transportation Commission conditions as stated below.

7. Safety is of paramount concern to ODOT. ODOT encourages recipients of *ConnectOregon* grant funds to have safety as a high priority for all phases of work.

NOW THEREFORE, the premises being general as stated in the foregoing Recitals, it is agreed by and between the Parties hereto as follows:

I. TERMS OF AGREEMENT

1. ODOT and Recipient agree that Recipient shall rehabilitate Runway 16/34 at the Newport Municipal Airport in Newport, Oregon, hereinafter referred to as "Project", further described in Exhibit A, attached hereto and by this reference made a part hereof.
2. Project Cost is estimated at \$8,980,000, which is subject to change. The *ConnectOregon* IV grant funds ("Grant Funds") are limited to \$448,500 or eighty (80) percent of the total eligible Project Costs, whichever is less. Eligible costs for this Project will be reimbursed at eighty (80) percent until the \$448,500 limit is reached. ODOT cannot reimburse Recipient for any work performed, or for Project Costs incurred prior to the effective date of this Agreement, except for airport projects that receive Federal grants between July 1, 2011 and the date of execution of this agreement as described in OAR 731-035-0080.
 - a. Recipient must provide matching funds in an amount equal to twenty (20) percent of the eligible Project Costs. Matching funds must be used for elements necessary for implementation of Project, including land, excavation, permits, engineering, payroll, special equipment purchase, rental or lease. Recipient is responsible for all costs in excess of the Grant Funds. All Project Costs other than the Grant Funds are hereinafter referred to as "Recipient Contribution."
 - b. If Project is not completed in accordance with, or consistent with, the application and documents provided by Recipient to ODOT prior to the execution of the Agreement, incorporated by reference into this Agreement, and this Agreement as they each may be amended, Recipient shall pay back all of the Grant Funds to ODOT. Any funds disbursed but not used for the approved Project must be returned to ODOT. Recipient understands eligibility for Grant Funds applies only to Project costs incurred on or after the effective date of this Agreement.
3. The term of this Agreement is effective on the date all required signatures are obtained and shall expire five (5) calendar years following the date all required signatures are obtained.

II. RECIPIENT OBLIGATIONS

1. Recipient shall perform Project work described in Exhibit A.
2. Recipient shall comply with all requirements of ORS 367.080 through ORS 367.086 and OAR Chapter 731, Division 35.
3. Recipient shall submit to ODOT's Project Liaison for review and approval monthly invoices and updated monthly progress reports on Project Key Milestones and Schedule in Exhibit A.
 - a. The invoice must adhere to generally accepted accounting principles and will identify Project, Agreement number, Project start and end date, the invoice number or the account number or both, and will itemize all expenses as well as provide a detailed breakdown of funds expended to date and dollars remaining. In the event an invoice is not necessary during a specific period, an updated monthly progress report on Project schedule must be submitted separately each month reflecting continuous progress.
 - b. The monthly progress report will be prepared using the *ConnectOregon* Monthly Progress Report (Form 734-2668), attached by reference and made a part of this Agreement, and will be submitted to the ODOT Project Liaison and ODOT's *ConnectOregon* Program Manager, by the first Wednesday of each month. The fillable form can be downloaded on-line at the following address:

<http://www.oregon.gov/ODOT/HWY/LGS/online.shtml>.
 - c. If Recipient anticipates Project key milestones will be delayed by more than ninety (90) days from the key milestones shown in Exhibit A, Recipient shall submit a Request for Change Order (Form 734-2648), which is hereby incorporated by reference, to ODOT's Project Liaison as soon as Recipient becomes aware of any possible delay. The Request for Change Order must be submitted prior to the milestone completion date shown in Exhibit A. The fillable form can be downloaded on-line at the following address:

<http://www.oregon.gov/ODOT/HWY/LGS/online.shtml>.
 - d. Any changes to Project scope or delivery schedule must be approved by the *ConnectOregon* Oversight Committee or assigned designee prior to execution of an amendment to this Agreement. Recipient shall not proceed with any changes to Project scope prior to the Request for Change Order being approved by ODOT and the ensuing amendment executed. A Request for Change Order may be rejected at the discretion of the *ConnectOregon* Oversight Committee. The *ConnectOregon* Oversight Committee may choose to request review by the Oregon Transportation Commission.
 - e. Recipient shall submit a written report to ODOT's *ConnectOregon* Program Manager that identifies the number of jobs created or retained both during construction and after Project completion, as a direct result of this Project. The

report must also include the number of jobs projected in the application. This report must also include data on the methodology which measures Project's success as described in the grant application. The report must be received within eighteen (18) months after the completion of Project. Recipient's obligation to provide this report will survive expiration of this Agreement.

4. Recipient must comply with ORS 280.518, which requires any economic development program financed with proceeds from the state lottery to display a sign in a conspicuous location on Project site or specify in the program information that Project is financed with proceeds from the state lottery. ODOT will provide standard signage as appropriate. If Recipient chooses to make a custom sign, it must be approved by ODOT's *ConnectOregon* Program Manager and Recipient shall be responsible for the cost of such custom signage. If Project site is remote and a sign would not be visible to the public, then Recipient shall provide proof to ODOT's *ConnectOregon* Program Manager that Recipient has specified in its program information that Project is financed with proceeds from the state lottery.
5. Recipient must produce or provide, upon ODOT's request, any documents or information identified or referenced in Project application or in other documents provided by Recipient to ODOT prior to the execution of the Agreement. These may include, but are not limited to, information pertaining to Project key milestones, schedule, budget and cash flow, feasibility, readiness to construct, permits, likelihood of completion within planned time frame, and other items related to completion of promised Project elements.
6. If a source of matching funds for this Project is a Federal Aviation Administration (FAA) Grant, Recipient shall provide a copy of the fully executed FAA Grant Agreement(s) that provide(s) the matching funds. The copy of the FAA Grant Agreement must be provided to ODOT's *ConnectOregon* Program Manager prior to any costs being considered eligible for reimbursement and actually being reimbursed from Grant Funds. The Recipient Contribution must be available and committed for the duration of Project.
7. Upon execution of this Agreement, Recipient shall require its Contractor(s) performing the work under this Agreement to name ODOT as an additional obligee on Contractor(s) bond.
8. Recipient shall comply with all federal, state, and local laws, regulations, executive orders and ordinances applicable to the work under this Agreement, including, without limitation, the applicable provisions of ORS 279A, 279B and 279C. Without limiting the generality of the foregoing, Recipient expressly agrees to comply with (i) Title VI of Civil Rights Act of 1964; (ii) Title V and Section 504 of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 and ORS 659A.142; (iv) all regulations and administrative rules established pursuant to the foregoing laws; and (v) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.

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9. Recipient shall, to the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, indemnify, defend, save, and hold harmless the State of Oregon, Oregon Transportation Commission and its members, Oregon Department of Transportation, its officers and employees from any and all claims, suits, or action of any nature arising out of activities of Recipient, its consultant, its contractor, its officers, subcontractors, agents, or employees under this Agreement. If Recipient is a local public agency, then Recipient's total liability shall not exceed the tort claims limits providing in the Oregon Tort Claims Act, ORS 30.260 and 30.300 for "local public bodies."
10. Notwithstanding the foregoing defense obligations in the paragraph above, neither Recipient nor any attorney engaged by Recipient shall defend any claim in the name of the State of Oregon or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State of Oregon may, at anytime at its election assume its own defense and settlement in the event that it determines that Recipient is prohibited from defending the State of Oregon, or that Recipient is not adequately defending the State of Oregon's interests, or that an important governmental principle is at issue or that it is in the best interests of the State of Oregon to do so. The State of Oregon reserves all rights to pursue any claims it may have against Recipient if the State of Oregon elects to assume its own defense.
11. Recipient acknowledges and agrees that ODOT, the Oregon Secretary of State's Office, the federal government, and their duly authorized representatives shall have access to the books, documents, papers, and records of Recipient which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcripts for a period of six (6) years after final payment. Copies of applicable records will be made available upon request. Payment for costs of copies is reimbursable by the requesting Party.
12. If Recipient enters into a construction contract for performance of work on Project, then Recipient will require its contractor to provide the following:
 - a. Contractor shall indemnify, defend and hold harmless ODOT from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any nature whatsoever resulting from, arising out of, or relating to the activities of Contractor or its officers, employees, subcontractors, or agents under the resulting contract.
 - b. Contractor and Recipient shall name ODOT as a third party beneficiary of the resulting contract.
 - c. Commercial General Liability. Contractor shall obtain, at Contractor's expense, and keep in effect during the term of the resulting contract, Commercial General Liability Insurance covering bodily injury and property damage in a form and with coverages that are satisfactory to ODOT. This insurance will include personal and advertising injury liability, products and completed operations. Coverage may

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- be written in combination with Automobile Liability Insurance (with separate limits). Coverage will be written on an occurrence basis. If written in conjunction with Automobile Liability the combined single limit per occurrence will not be less than one million dollars (\$1,000,000) for each job site or location. Each annual aggregate limit will not be less than two million dollars (\$2,000,000.)
- d. Automobile Liability. Contractor shall obtain, at Contractor's expense, and keep in effect during the term of the resulting contract, Commercial Business Automobile Liability Insurance covering all owned, non-owned, or hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits). Combined single limit per occurrence will not be less than one million dollars (\$1,000,000.)
 - e. Additional Insured. The liability insurance coverage, except Professional Liability, Errors and Omissions, or Workers' Compensation, if included, required for performance of the resulting contract will include ODOT and its divisions, officers and employees as Additional Insured but only with respect to Contractor's activities to be performed under this Contract. Coverage will be primary and non-contributory with any other insurance and self-insurance.
 - f. Notice of Cancellation or Change. There will be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days written notice from Contractor's or its insurer(s) to ODOT. Any failure to comply with the reporting provisions of this clause will constitute a material breach of the resulting contract and will be grounds for immediate termination of the resulting contract and this Agreement.
13. Recipient, and its Contractors, shall work as an independent contractor and shall be exclusively responsible for all costs and expenses related to its employment of individuals to perform the work under this Agreement including, but not limited to, retirement contributions, workers' compensation, unemployment taxes, and state and federal income tax withholdings.
14. All employers, including Recipient, that employ subject workers who work under this Agreement in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage unless such employers are exempt under ORS 656.126. Employers Liability insurance with coverage limits of not less than five hundred thousand dollars (\$500,000) must be included. Recipient shall ensure that each of its Contractors complies with these requirements.
15. Recipient shall, upon execution of this Agreement and as a condition to this Agreement, complete and file with the appropriate County Clerk, Exhibit B, "Memorandum of Agreement and Acknowledgment of ODOT Assistance", attached hereto and by this reference made a part hereof. Recipient shall provide confirmation of this filing by forwarding to ODOT's *ConnectOregon* Program Manager a notarized copy of the recorded Exhibit B. By means of said acknowledgment of Recipient's financial obligations, the continued use of said property for public purposes, and the maintenance of the facility or service at a level

consistent with normal depreciation or demand or both is recognized and attached to the property as conditions. Any interest in said property by ODOT is proportional to the state participation in Project. While in default of conditions of this Agreement, Recipient will be ineligible to receive state funds from any ODOT-administered program for any project on a street, road or property. The Memorandum of Agreement and Acknowledgment of ODOT Assistance shall remain in place for the useful life of Project. The useful life of Project is defined as twenty (20) years. Reimbursement to Recipient will not be made until a copy of the recorded Exhibit B has been forwarded to the ODOT Project Liaison.

16. Recipient and ODOT's Project Liaison shall, upon completion of all on-site work for Project, perform an on-site review. Once review is completed, the ODOT Project Liaison shall recommend acceptance of Project by signing the *ConnectOregon* "Recommendation of Acceptance" (Form 734-2649), which will be signed by the ODOT Project Liaison and Recipient and is hereby incorporated by reference. The full text of the above referenced exhibit may be reviewed and downloaded at the following web address:

<http://www.oregon.gov/ODOT/HWY/LGS/docs/Forms/COProjectAccept2649.doc>

17. Recipient shall, at its own expense, maintain and operate Project upon completion and throughout the useful life of Project at a minimum level that is consistent with normal depreciation or service demand or both. ODOT and Recipient agree that the useful life of Project is defined as twenty (20) years. Recipient has, by submitting its application for this *ConnectOregon* IV grant, represented and certified to sufficient funds and to its ability to operate and maintain Project. ODOT may conduct periodic inspections following the execution of this Agreement to verify that Project is being properly maintained and continues to serve the purpose for which Grant Funds were provided. This paragraph shall survive any expiration of this Agreement.
18. Recipient certifies and represents that the individual(s) signing this Agreement has been authorized to enter into and execute this Agreement on behalf of Recipient, under the direction or approval of its governing body, commission, board, officers, members, or representatives, and to legally bind Recipient and shall provide ODOT proof of such authority upon request.
19. Recipient's Project Manager is Ted Jones, Senior Project Manager, 169 SW Coast Highway; Newport; OR 97365; telephone: 541-547-3375; fax: 541-265-3301; t.jones@newportoregon.gov or assigned designee upon individual's absence. Recipient shall notify ODOT's Project Liaison and ODOT's *ConnectOregon* Program Manager in writing when any contact information changes during the term of this Agreement.

III. ODOT OBLIGATIONS

1. Based upon the *ConnectOregon* IV Grant Fund allocation allowed, ODOT agrees to pay Recipient a maximum amount of \$448,500, or eighty (80) percent of the total

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eligible Project costs, whichever is less. Eligible costs for this Project will be reimbursed at eighty (80) percent until the \$448,500 limit is reached.

2. Upon receipt and approval by ODOT of a monthly invoice and updated monthly progress report on Project schedule submitted by Recipient, ODOT shall reimburse Recipient for approved eligible costs.
3. This Agreement is contingent upon issuance and sale of lottery bonds sufficient to fund Project. The Agreement is effective and work may begin upon execution of this Agreement, but ODOT's obligation to make Project payments is contingent upon the issuance and sale of lottery bonds by the State Treasurer.
4. Each disbursement of Grant Funds by ODOT is contingent upon ODOT receiving appropriations, limitations, allotments or other expenditure authority sufficient to allow ODOT, in the exercise of its reasonable administrative discretion, to continue to make payments under this Agreement.
5. ODOT shall monitor Project for compliance and notify Recipient in writing if it appears Recipient is failing to comply with Multimodal Transportation Fund Program requirements as specified in ORS Chapter 367; OAR Chapter 731, Division 35; the terms of this Agreement; or Recipient's application and documents provided by Recipient to ODOT prior to the execution of the Agreement.
6. ODOT may impose sanctions against Recipient for failing to comply with the requirements governing the Multimodal Transportation Fund Program. Before imposing sanctions, ODOT will send a notice to cure to Recipient if Recipient fails to comply with Program requirements. ODOT will allow fifteen (15) days from the date the notice to cure is sent for Recipient to respond and correct the deficiencies noted. The following circumstances may warrant sanctions:
 - a. Work on the approved Project has not been substantially initiated within six (6) months of the effective date of this Agreement or if continuous progress on Project has not been maintained for six (6) months;
 - b. State of Oregon statutory requirements have not been met;
 - c. There is a significant deviation from the terms and conditions of this Agreement or representations of Recipient's application and documents provided by Recipient to ODOT prior to the execution of the Agreement;
 - d. Significant corrective actions have been found to be necessary to protect the integrity of the funds for the approved Project, and those corrective actions are not, or will not, be made within a reasonable time;
 - e. Key Milestones shown in Project schedule are delayed by more than ninety (90) days; or
 - f. Failure to submit monthly progress reports as required in ODOT Obligations, Section III.3, of this Agreement.

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7. One or more of the following sanctions may be imposed if the circumstances listed above are not remedied within the time specified in the notice to cure:
 - a. Revocation of this grant award;
 - b. Withholding of unexpended funds;
 - c. The return of unexpended funds or repayment of expended funds;
 - d. The barring of Recipient from applying for future assistance; or
 - e. Other remedies that may be incorporated into this Agreement.
8. The remedies set forth in this Agreement are cumulative, are not exclusive, and are in addition to any other rights and remedies provided by law or under this Agreement.
9. ODOT's Project Liaison and Recipient shall, upon completion of all on-site work for Project, perform an on-site review. Once review is completed, ODOT's Project Liaison shall recommend acceptance of Project by signing the *ConnectOregon* Recommendation of Acceptance (Form 734-2649), which will be signed by ODOT's Project Liaison and Recipient. Upon receipt of signatures by the Parties, ODOT's Project Liaison shall forward a signed copy to ODOT's *ConnectOregon* Program Manager.
10. After execution of this Agreement, ODOT's *ConnectOregon* Program Manager shall have authority to execute amendments to this Agreement on behalf of ODOT when the changes provided in the amendments have been approved through the "Request For Change Order Process" described in Recipient Obligations Section II.3.d, of this Agreement. Such authority shall include modification to Project milestones, Project completion date, and the expiration date of the Agreement. Any other modifications, including without limitation to Project scope, Project Cost or grant amount may be effective only upon execution by all original signatories, or their assigned designee's in their absence.
11. ODOT's *ConnectOregon* Program Manager is Carol Olsen, Active Transportation Section, 555 13th Street NE, Salem, OR 97301, 503-986-3327, LGSCconnectOregon@odot.state.or.us, or assigned designee upon individual's absence.

IV. GENERAL PROVISIONS

1. This Agreement may be terminated effective upon delivery of written notice to Recipient, or at such later date as may be established by ODOT under any of the following conditions:
 - a. If Recipient fails to perform any of the provisions of this Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance

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- with its terms, and within ten (10) days or such longer period as ODOT may authorize, after receipt of written notice from ODOT, fails to correct such failures.
- b. The Legislature fails to approve, reduces, eliminates or otherwise interferes with appropriations of state expenditure limitation to the extent that legal authority is insufficient to enable ODOT, in its reasonable discretion, to continue making payments under this Agreement.
 - c. ODOT, the Department of Justice, or a court of competent jurisdiction determines that state law, rules, regulation or guidelines are modified, changed, or interpreted in such a way that the activities described in Exhibit A are no longer allowable or no longer eligible for funding proposed by this Agreement.
2. ODOT may impose one (1) or more of the sanctions described in ODOT Obligations, Section III.6, of this Agreement, without prior notice and without opportunity to cure, in the event ODOT determines:
- a. Statements, information, or representations in the *ConnectOregon IV* application and documents provided by Recipient to ODOT prior to the execution of the Agreement, for Project were false, misleading, fraudulent or misrepresentations; or
 - b. There has been a change in circumstances so that information provided in the application and documents provided by Recipient to ODOT prior to the execution of the Agreement, and relied upon in making the grant or loan, or representations concerning considerations in the selection of Project for *ConnectOregon IV*, pursuant to OAR 731-035-0060, are no longer true or accurate.
3. Recipient may terminate this Agreement effective upon delivery of written notice to ODOT under any of the following conditions:
- a. ODOT fails to make payments due under this Agreement, or
 - b. ODOT fails to perform any of the provisions of this Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms, and within ten (10) days or such longer period as Recipient may authorize, after receipt of written notice from Recipient, fails to correct such failure.
4. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination.
5. ODOT and Recipient are the only Parties to this Agreement and, as such, are the only Parties entitled to enforce its terms. Nothing in this Agreement gives or shall be construed to give or provide any benefit, direct, indirect or otherwise to third persons unless such third persons are expressly identified by name and specifically described as intended to be beneficiaries of its terms.

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6. ODOT and Recipient hereto agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be invalid, unenforceable, illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.
- 7a. The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement.
- b. Any Party bringing a legal action or proceeding against any other Party arising out of or relating to this Agreement shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County. Each Party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.
- c. Notwithstanding Section IV.7.b, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This section applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This section is also not a waiver by the State of Oregon of any form of immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.
8. This Agreement may be executed in several counterparts (facsimile or otherwise) all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.
9. This Agreement, Project application and documents provided by Recipient to ODOT prior to the execution of the Agreement, and attached exhibits constitute the entire agreement between the Parties on the subject matter hereof. In the event of a conflict, the body of this Agreement and the attached Exhibit A will control over Project application and documents provided by Recipient to ODOT. 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 either Party unless in writing and signed by both 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 either Party to enforce any provision of this Agreement shall not constitute a waiver by that Party of that or any other provision.

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THE PARTIES, by execution of this Agreement, hereby acknowledge that their signing representatives have read this Agreement, understand it, and agree to be bound by its terms and conditions and that the persons executing this Agreement have been duly authorized to do so.

The Oregon Transportation Commission at its August 2012 meeting approved the ConnectOregon IV project application list and delegated authority to the Director of the Oregon Department of Transportation to enter into project agreements.

City of Newport, acting by and through its elected officials

By *Jim Voetberg*

Date 8/24/12

By *Jim Voetberg*

Date City Manager

APPROVED AS TO LEGAL SUFFICIENCY

By *[Signature]*

Recipient Counsel

Date 9.24.12

Recipient Contact:
Ted Jones, Senior Project Manager
City of Newport
169 SW Coast Highway
Newport, OR 97365
541-547-3375
t.jones@newportoregon.gov

ODOT Contact:
Carol Olsen
ConnectOregon Program Manager
ODOT Active Transportation Section
555 13th Street NE
Salem, OR 97301
503-986-3327
carol.a.olsen@odot.state.or.us

STATE OF OREGON, by and through its Department of Transportation

By *[Signature]*
Director

Date 8-3-12

APPROVAL RECOMMENDED

By *[Signature]*
Freight Mobility Manager

Date 10/01/12

By *[Signature]*
Active Transportation Section Manager

Date 9/28/12

APPROVED AS TO LEGAL SUFFICIENCY

By Keith L. Kutler, Assistant Attorney General by email dated September 4th, 2012

EXHIBIT A

Agreement No. 28697

Application Number: 2A0205

Project Name: Runway 16/34 Rehabilitation

A. PROJECT DESCRIPTION

The Project Engineering will include field investigations, evaluations, and proposed recommendations for the anticipated elements of work which will be presented in a Pre-Design report. Once the Pre-Design recommendations are adopted a Final Design will be accomplished and a Construction Document developed for bidding purposes.

The Project will rehabilitate Runway 16-34 at the Newport Municipal Airport in Newport, Oregon. The Project will:

1. change and rebuild the existing runway from a shed section to a crown section at existing runway centerline;
2. narrow the runway pavement width from 150 feet to 100 feet;
3. provide storm drainage grading improvements in conjunction with the runway rehabilitation;
4. provide a new high intensity runway light (HIRL) system compatible with runway width;
5. earthwork grading along the sides of the runway in order to meet current RSA grading and drainage requirements;
6. install new pavement underdrains on both sides of the runway;
7. install a new storm sewer system on both sides of the runway to collect surface water and pavement under drain flow and disperse into the existing airport storm sewer system as applicable;
8. grade or reconstruction at Runway 2-20 and all connecting taxiways where intersecting with Runway 16-34;
9. install new guidance sign frames and mounting legs throughout the airport;
10. install new distance remaining signs on Runway 16-34;
11. revise pavement marking on runways and connecting taxiways;
12. remove and replace Runway 16 end threshold light bar and other NAVAIDs affected by the improvement project.

EXHIBIT A

B. PROJECT KEY MILESTONES AND SCHEDULE

Project has six Key Milestones. Key Milestones are used for evaluating performance on Project and determining level of compensation for completed work as described in the Agreement. Key Milestones cannot be changed without an amendment to the Agreement. Recipient may shift the estimated Grant Funds shown below between milestones without an amendment to the Agreement, but shall not, under any circumstances, exceed the "Total Not To Exceed Grant Fund Allocation." Recipient shall report changes to the Estimated Amounts corresponding to each Key Milestone, shown below, in Recipient's Monthly Report to the ODOT Project Liaison.

If Recipient anticipates Project Key Milestones will be delayed by more than ninety (90) days, Recipient shall submit a Request for Change Order to the ODOT Project Liaison as soon as Recipient becomes aware of any possible delay. The Request for Change Order must be submitted prior to the Key Milestone completion date shown in this Exhibit.

The anticipated start date of Project is: 09/17/2012

The estimated completion date of Project is: 6/30/2014

EXHIBIT A

Table 1: Key Milestones

Key Milestone	Description	Estimated Due Date	Estimated Amount
1	Scoping and planning	1/11/2013	\$455,000
2	Right of way and land acquisition	N/A	\$0
3	Permits	7/1/2013	\$10,000
4	Final plans/bidding engineering documents	8/9/2013	\$300,000
5	Construction contract award	9/23/2013	\$0
6	Project completion	6/30/2014	\$8,215,000
	Total Project Cost		\$8,980,000

Table 2 – Funding Breakdown

A	Total Not To Exceed Grant Fund Allocation	\$448,500	
B	ConnectOregon IV twenty (20) percent required match	\$112,125	
C	ConnectOregon IV Total		\$560,625
D	Other Funds In Addition to twenty (20) percent Required Match	\$8,419,375	
E	Total Project Funding		\$8,980,000

C. BUDGET

Total Not To Exceed Grant Funds payable to Recipient is \$448,500.

Total Project costs are estimated at \$8,980,000. The ConnectOregon IV Grant Fund allocation for Project is \$448,500. Recipient shall be responsible for any unanticipated costs over the identified ConnectOregon IV Grant Fund Allocation.

City of Newport/ODOT
Agreement No. 28697

After recording, return to:

EXHIBIT B
MEMORANDUM OF AGREEMENT AND ACKNOWLEDGEMENT OF ODOT ASSISTANCE
[State Recording Authority: ORS 93.710 and ORS 205.130(2)]
Agreement Number: 28697
Project Name: Runway 16/34 Rehabilitation

Grant Agreement No. 28697 ("Grant Agreement") between the City of Newport and the State of Oregon, Department of Transportation (ODOT) was executed on _____. Pursuant to Recipient Obligations, Section II.15, of the Grant Agreement, upon the recording of this document, the City of Newport will receive Grant Funds for Project described in the Grant Agreement. The property and assets under the jurisdiction of the City of Newport will be improved with the assistance from the State of Oregon, Department of Transportation, in accordance with the terms of the Grant Agreement. Such assistance will be provided to City of Newport, in reimbursement of costs associated with the Runway 16/34 Rehabilitation. The use and disposition of said property is subject to the terms of the Grant Agreement, copies of which may be obtained from the Director of ODOT. A description of the improved property is attached.

City of Newport,

By: _____ (Notary Stamp)
(Name of person)

Title: _____

State of Oregon: County of _____

Signed or attested before me on _____ by _____
(Date) (name(s) of person(s))

_____ My commission expires on _____.

STATE OF OREGON, DEPARTMENT OF TRANSPORTATION

By: _____ (Notary Stamp)
Darel Capps

Title: Active Transportation Section Manager

Signed or attested before me on _____ by _____
(Date) (name(s) of person(s))

_____ My commission expires on _____.

Oregon Department of Transportation; 555 13th Street NE, Salem, OR 97301-4178.

- **Request For Change Orders** – If you anticipate any of your project milestones will be delayed by more than 90 days, you will need to fill out the Request for Change Order, sign and date it and send it to the LAL. The LAL will evaluate the request and forward it to me for approval. You can obtain the Request For Change Order form at:
 - <http://www.oregon.gov/ODOT/HWY/LGS/online.shtml>
- **Special Conditions** – You may have special conditions listed under Recipient Obligations. As applicable to your agreement you need to comply with any special conditions prior to requesting reimbursement as indicated in your agreement.
- **Reimbursement/Invoices** – Invoices are to be sent to the LAL listed on this letter. Invoices must be based on the Oregon Department of Administration reimbursement policy and rates. Invoices must include the following:
 - Agreement Number
 - Project Name
 - Invoicing period – start and end date
 - Invoice Number
 - Summarization of expenses and a detailed breakdown of expenditures

Allow 30 days to receive your reimbursement check. It is requested that you submit only one invoice per month.

- **Project Acceptance** – The LAL will conduct the final inspection and acceptance of the project. Remember to let us know about any grand opening or project events. We will also require pictures of the completed project (before and after pictures if possible).
- **ConnectOregon Signs** – Additional communication will be sent to you regarding the distribution of the sign for your project!

Again, congratulations on your *ConnectOregon* III grant award! If you have any questions, please contact me at (503) 986-3327 or email at carol.a.olsen@odot.state.or.us

Sincerely,

Carol Olsen

Carol Olsen
ODOT *ConnectOregon*
Program Manager



Oregon

John A. Kitzhaber, MD, Governor

Department of Transportation
Active Transportation Section
555 13th Street NE, Ste 2
Salem, OR 97302-1166

October 8, 2012

Ted Jones
City of Newport
169 SW Coast Highway
Newport, OR 97365

Subject: Notice to Proceed - *ConnectOregon* IV Agreement No. 28697
Project Name: Runway 16/34 Rehabilitation

You should have received a copy of the fully executed agreement number 28697 for your records. You are authorized to begin work as of the last signature date shown on the agreement. Only work performed on the project after the agreement was fully signed and as described in the agreement will be eligible for reimbursement, except for airport projects that receive federal grants between July 1, 2011 and the date of the agreement execution.

From this point forward, your contact for sending monthly invoices, monthly progress reports on you project milestones, and addressing questions or issues on your *ConnectOregon* IV project is ODOT's Local Agency Liaison (LAL):

Name	Address	Contact Information
Michael Starnes	455 Airport Rd SE Bldg B Salem OR 97301-5352	Phone#: 503.986.6920 Email: michael.s.starnes@odot.state.or.us

The following items were discussed on our conference call and are also stated in your agreement:

- **Exhibit B – Acknowledgement of Assistance** – Recipients are not eligible to receive reimbursement until they provide a conformed copy of the recorded Acknowledgement of Assistance to the ODOT LAL. A copy is also required to be sent to LGSCoconnectOregon@odot.state.or.us or faxed to 503-986-3290. We will send out a letter indicating that the project is eligible for reimbursement upon receipt, if the applicable special conditions have also been met.
- **Monthly Progress Reports** – These reports are due the first Wednesday of each Month. You will need to send them to your LAL and Carol Olsen. You can obtain the report form at:
 - <http://www.oregon.gov/ODOT/HWY/LGS/online.shtml>