

**SECOND AMENDED AND RESTATED  
VISITOR FACILITIES  
INTERGOVERNMENTAL AGREEMENT**

This amended and restated intergovernmental agreement (the “Agreement”, “2018 Agreement” or “2018 VFIGA”) is made among the City of Portland (the “City”), Multnomah County (the “County”) and Metro (each individually, a “Party” and collectively, the “Parties”), and will be in effect from the latest date of signature.

RECITALS

- A. The purposes of this Agreement are to support regional visitor facilities and develop the visitor industry in the Portland metropolitan area. The Parties have entered into this Agreement and related agreements to continue supporting and enhancing regional tourism; convention, exhibition, spectator, and arts and cultural facilities; the visitor and hospitality industry; and to maximize the economic development benefits associated with visitor facilities, programs and services for the Portland metropolitan area. This 2018 Agreement and the Visitor Facilities Trust Account (“VFTA”) provide additional support necessary to complement programs, investments and contributions made by all Parties for the health of our community and in support of visitor development.
- B. The Parties entered into the original Visitor Facilities Intergovernmental Agreement, dated January 31, 2001 (the “2001 Agreement”), to implement the understandings and agreements contained in that certain Memorandum of Understanding dated September 14, 1999. The Amended and Restated Visitor Facilities Intergovernmental Agreement, dated October 25, 2013 (the “2013 Agreement”) made changes to funding priorities, added debt obligations that resulted in financing opportunities and efficiencies, revised programmatic services, and modified roles and responsibilities of the Parties. The 2013 Agreement superseded and fully replaced the 2001 Agreement. The Parties desire for this 2018 Agreement to supersede and fully replace the 2013 Agreement.
- C. On or about April 26, 2001, the City, County and Metro entered into the Visitor Development Fund Services Agreement (“VDFSFA”) with Visitor Development Fund, Inc., whose 15-member board includes two representatives from each of the City, County, and Metro, two members appointed by “Travel Portland” and seven members representing the hotel and car rental business sectors. The Parties intend to update and amend the VDFSFA to conform to the 2018 Agreement.
- D. The Parties recognize and wish to continue successful support of (i) regional efforts to bring visitors and conventions to the Portland metropolitan region, (ii) building, maintaining and operating essential visitor facilities, and (iii) increased economic benefits from travel and tourism in the region through both direct and indirect support for facilities, programs and services through the partnership embodied in this series of agreements, and are entering into this 2018 Agreement to further enhance the long-term public and private sector efforts that have contributed to and promoted growth of the travel and tourism sector and the region’s economy.

- E. The Parties recognize (i) it is appropriate to use allocations from the VFTA to fund construction projects for the development and redevelopment of essential visitor facilities, (ii) the details of such projects are likely to be developed over an extended period of time, and (iii) other public and private funding sources for such projects can be leveraged by a commitment of VFTA funds. The Parties desire to allow for future allocations of VFTA funds for such projects, without requiring further amendment to this 2018 Agreement, subject to the provisions of transparency and accountability as described herein.
- F. The Parties recognize that historically, growth in transient lodging tax collections tend to exceed growth in the Consumer Price Index (“CPI”), and that by using the CPI to escalate certain VFTA allocations, the VFTA will tend, over time, to accumulate revenues in excess of expenses. The Parties further recognize that strategic opportunities, such as large-scale events and conventions, as well as the impacts of economic cycles cannot be predicted. The Parties believe that the success of the VFTA partnership will be enhanced by creating mechanisms to allow future discretionary allocations of revenues, without requiring further amendment to this Agreement, in response to opportunities and challenges subject to the provisions of transparency, accountability and approval as described herein.
- G. The Parties recognize that the area’s economic success has not been uniformly shared by the community and a vulnerable portion of the population has been negatively impacted by rapid increases in housing costs. An allocation from the VFTA as a new and additive source of funds to support the significant existing regional investments in affordable housing and supportive services to address the root causes of homelessness and its associated livability and safety concerns is appropriate, and will (i) improve conditions for the community and people experiencing homelessness, (ii) improve the visitor experience, and (iii) help Portland remain a desirable travel and tourism destination.
- H. Since 2013, the VFTA system has benefited from frequent and consistent financial review by a Financial Review Team. The parties now wish to add additional oversight and to expand the existing role of the Visitor Development Fund, Inc Board (“VDFI Board”) in approving adjustments to VFTA funding allocations in response to specified triggers, which is subject to dispute resolution, as described herein.
- I. The Parties recognize that successful development of the travel and tourism economic sector is dependent on the existence of high-quality facilities for convention, spectator, exhibition, and arts and cultural activities, and in order for the facilities and programs provided for in this Agreement to function in an economically viable manner, all the items included in this Agreement require funding. The loss of funding for any item may threaten the viability of all the other facilities, programs and services.
- J. The Oregon Convention Center (“OCC”) and Portland Exposition Center (“Expo”) are owned and operated by Metro. The Portland’s Centers for the Arts (“P’5”) are owned by the City and operated by Metro under the Consolidation Agreement. Providence Park (the “Stadium”) and the “Rose Quarter Facilities” are owned by the City. In addition, Metro, the City, and the County own and operate a variety of other facilities and provide

a variety of programs and services that promote the visitor industry and economic development within their jurisdictions and attract visitors to the Portland metropolitan area.

- K. The County has the authority to impose and levy a surcharge rate of 2.5% on the gross amounts of value paid to or received by the owners or operators of hotels, motels, and other lodging facilities for lodging of thirty (30) consecutive days or less duration from occupants (the “VFTA TLT Surcharge”) to support the purposes of this Agreement.
- L. The County has the authority to impose and levy a surcharge rate of 2.5% on the motor vehicle rental fee charged by a commercial company on vehicle rentals of thirty (30) days or less duration (the “VFTA VRT Surcharge”) to support the purposes of this Agreement.
- M. As provided in ORS Chapter 287A.310, the County is authorized to pledge the VFTA TLT Surcharge and the VFTA VRT Surcharge for bonds and other borrowings, including the OCC Bonds, the City Bonds and the OCC Hotel Project Bonds.
- N. The County has the authority to impose and levy a surcharge rate of 3% on the gross amounts of value paid to or received by the owners or operators of hotels, motels, and other lodging facilities for lodging of thirty (30) consecutive days or less duration from occupants (the “Excise Tax Fund TLT” or “ETF TLT”) for support of specified facilities and programs including the OCC, P’5 and the Regional Arts and Cultural Council.
- O. The City has the authority to impose and levy transient lodging taxes, for (i) general City purposes and (ii) the promotion of convention business and tourism, on the gross amounts of value paid to or received by the owners or operators of hotels, motels, and other lodging facilities for lodging of thirty (30) consecutive calendar days or less duration from occupants (the “City 5% TLT” and “City 1% TLT”, respectively).
- P. The City issued OCC Bonds on the condition that the County impose and maintain the VFTA TLT Surcharge and the VFTA VRT Surcharge for the life of the OCC Bonds. The City issued Stadium Bonds and intends to issue VMC Renovation Bonds and P’5 Renovation Bonds on the condition that the County impose and maintain the VFTA TLT Surcharge for the life of the Stadium Bonds and the VMC Renovation Bonds and P’5 Renovation Bonds, if such bonds are issued.
- Q. Metro issued the “OCC Hotel Project Bonds” on the condition that the County impose and maintain the VFTA TLT Surcharge and Excise Tax Fund TLT and the City impose and maintain the City 5% TLT for the life of the OCC Hotel Project Bonds.

AGREEMENT

1. DEFINITIONS

“2001 Agreement” is defined in Recital B.

“2013 Agreement” is defined in Recital B.

“Additional OCC Operating Support” is defined in Section 3.3.6

“Additional L&S Support Amount” is defined in Section 3.3.14.

“Administrative Fee” means the annual fee paid to the County as the VFTA trustee and for administering the VFTA. The fee is equal to 0.7% of the gross annual revenues deposited in the VFTA from all sources, and if applicable, costs incurred by the County to defend the VFTA Administrator or the County as the VFTA trustee against a claim that the funds collected or disbursed under this Agreement are unconstitutional or illegal, as long as such claim does not arise from a claim of County negligence or willful misconduct.

“Agreement,” “2018 Agreement” or “2018 VFIGA” mean this Second Amended and Restated Visitor Facilities Intergovernmental Agreement.

“Base Amount” is defined in Section 3.3.7.

“Beneficiaries” is defined in Section 3.2.

“Bonds” means, collectively, the Stadium Bonds, the OCC Bonds, the OCC Hotel Project Bonds, and VMC Renovation Bonds and Portland’s Renovation Bonds, if such bonds are issued in the future consistent with Sections 5.5, 5.6 or 6.3.

“Bond Redemption Reserve” is defined in Section 3.3.18.

“City CFO” means the Chief Financial Officer of the City of Portland.

“City 1% TLT” means the 1% transient lodging tax that the City is authorized to collect for the promotion of convention business and tourism under Portland City Charter Section 7-113.2 and Portland City Code Chapter 6.04, and which is a non-VFTA tax.

“City 5% TLT” means the 5% transient lodging tax that the City is authorized to collect for general purposes under Portland City Charter Section 7-113.1 and Portland City Code Chapter 6.04, and which is a non-VFTA tax.

“City Bonds” means, collectively, the Stadium Bonds, and the VMC Renovation Bonds and Portland’s Renovation Bonds, if such bonds are issued by the City in the future consistent with Sections 5.5, 5.6 or 6.3.

“Consolidation Agreement” means the Agreement Regarding Consolidation of Regional Convention, Trade, Spectator and Performing Arts Facilities Owned and Operated by the City of Portland and the Metropolitan Service District entered into by the City and Metro on December 19, 1989, as further amended in 1992, 2000 and 2013 (collectively, the “Consolidation Agreement”).

“County CFO” means the Chief Financial Officer of Multnomah County.

“Construction Cost Escalation” means the annual construction cost inflation for Portland as published by Engineering News Report.

“CPI” means the Consumer Price Index, Urban, All Consumers, West Region - Size Class A, or any successor index, as issued by the U.S. Department of Labor, Bureau of Labor Statistics.

“Dispute Resolution Committee” or “DRC” is defined in Section 8.1.1.

“Early Termination Date” is defined in Section 8.2.

“East County Cities” means Gresham, Troutdale, Fairview and Wood Village.

“Escalated” is defined in Section 3.4.

“Excise Tax Fund TLT” or “ETF TLT” means the 3% transient lodging surcharge that the County collects under the authority of Multnomah County Code 11.401(D), and any successor Chapter pertaining to Revenue and Taxation, and is utilized to support specified facilities and programs including the OCC, P’5 and the Regional Arts and Cultural Council, and which is a non-VFTA tax.

“Expo” means the Portland Exposition Center.

“Financial Review Team” or “FRT” is described in Section 7.2.

“Fiscal Year” or “FY” is defined as the twelve-month period beginning July 1 and continuing through June 30.

“General Reserve” or “GR” is defined in Section 3.3.17.

“Metro CFO” means the Chief Financial Officer of Metro.

“Net Revenues” mean the collections (including delinquent interest and penalties) from (1) the VFTA TLT Surcharge; (2) the VFTA VRT Surcharge; (3) the SSTLTR (other than the portion attributable to the VFTA TLT Surcharge); and (4) earnings on amounts in the VFTA, less the Administrative Fee. Net Revenues does not include any amounts required to pay refunds of surcharge taxes, including interest, or other charges required by state law.

“OCC” means the Oregon Convention Center located in Portland, Oregon.

“OCC Annual Budget” is defined in Section 3.3.6.1.

“OCC Bonds” or “Convention Center Completion Bonds” means the City’s Limited Tax Revenue Bonds, 2001 Series B and Limited Tax Revenue Refunding Bonds, 2011 Series A and any bonds or debt obligations issued to refund those bonds, including refunding of such refunding bonds.

“OCC Capital Improvement Expenses” means the costs associated with renewal and replacement of existing assets, as well as investments in new capital projects, that enhance the marketability of the OCC and maintain its quality and competitiveness.

“OCC Hotel Project” means the Hyatt Regency Portland at the Oregon Convention Center, scheduled to open in late-2019, which will (i) function as the lead hotel for national marketing and convention purposes, (ii) include the necessary meeting and ballroom facilities, and (iii) provide a dedicated room block agreement of 500 rooms for OCC events and conventions.

“OCC Hotel Project Bonds” means Metro’s Dedicated Tax Revenue Bond Series 2017 (Oregon Convention Center Hotel Project), and any bonds or debt obligations issued to refund those bonds, including refunding of such refunding bonds or debt obligations.

“OCC Operating Expenses” means all costs and expenses of operating the OCC during a given Fiscal Year, consistent with the purposes of this Agreement or in accordance with an OCC Annual Budget.

“OCC Operating Revenues” means, for any given Fiscal Year, the gross cash receipts received by the OCC with respect to operations of the OCC.

“Party” or “Parties” means the City of Portland, Multnomah County and Metro.

“P’5” means the Portland’5 Centers for the Arts (formerly known as the Portland Center for the Performing Arts or PCPA), which includes the Arlene Schnitzer Concert Hall, the Ira Keller Auditorium and the Antoinette Hatfield Hall.

“P’5 Renovation Bonds” means bonds or other debt obligations that may be issued by the City or Metro to fund a major renovation project at the Portland’5 Centers for the Arts and any bonds or debt obligations issued to refund those bonds, including refunding of such refunding bonds or debt obligations.

“Restricted Reserve” or “RR” is defined as Section 3.3.15.

“Rose Quarter Facilities” means the Veterans Memorial Coliseum and the Rose Quarter properties owned by the City of Portland, by and through the Office of Management and Finance.

“Spectator Venues and Visitor Activities Fund Revenues” is defined in Section 5.3.2.

“SSTLTR” or “Site-Specific Transient Lodging Tax Revenues” means the transient lodging taxes collected from the users of the OCC Hotel Project based on the City 5% TLT and the Excise Tax Fund TLT, which are non-VFTA taxes, and the VFTA TLT Surcharge.

“Stadium” means Providence Park (formerly known as JELD-WEN Field, PGE Park and Civic Stadium), the improvements of which were originally funded by the Stadium Bonds.

“Stadium Bonds” means the City’s Limited Tax Revenue Bonds, 2013 Series A Refunding Bonds (Stadium Project) issued by the City to fund the Stadium improvements, and any bonds or debt obligations issued to refund those bonds, including any refunding of such refunding bonds or debt obligations.

“Strategic Plan” or “Visitor Development Strategic Plan” is defined in Section 7.4.

“Strategic Reserve” is defined in Section 3.3.16.

“Termination Date” is defined in Section 8.3.

“TLT Net Revenues” means the Net Revenues less the VFTA VRT Surcharge.

“Travel Portland” means the Oregon non-profit corporation organized for the primary purpose of promotion, solicitation, procurement and service of convention business and tourism for the Multnomah County area. Travel Portland was formerly known as Portland Oregon Visitors Association or POVA.

“Travel Portland CFO” means the Chief Financial Officer of Travel Portland

“VDF” or “Visitor Development Fund” is defined in Section 3.3.10.

“VDFI” or “Visitor Development Fund, Inc.” means the non-profit corporation formed to budget for and administer the expenditure of certain VFTA allocations as described in this Agreement or the Visitor Development Fund Services Agreement.

“VDFI Board” or “Visitor Development Fund, Inc. Board” means the duly appointed Board of Directors for VDFI, acting in accordance with the VDFSFA and the organization’s bylaws in exercising their responsibilities, including but not limited to decision-making and allocation of funds described in Sections 3.3.6, 3.3.7, 3.3.10 through 3.3.13, 3.3.16 and 7.2

“VDFSFA” or “Visitor Development Fund Services Agreement” is defined in Recital C.

“VFTA” or “Visitors Facilities Trust Account” means the County tax account that (i) receives the VFTA TLT Surcharge collections, the VFTA VRT Surcharge collections, and the non-VFTA SSSLTR collections, and (ii) disburses Net Revenues and TLT Net Revenues to allocated disbursements as provided in this Agreement.

“VFTA Administrator” means the County CFO, or their designee.

“VFTA TLT Surcharge” is defined in Section 2.1 and Recital K and is a VFTA tax.

“VFTA VRT Surcharge” is defined in Section 2.2 and Recital L and is a VFTA tax.

“VFTA Fund Forecast” is defined in Section 4.3.3.

“VMC Renovation Bonds” means bonds or other debt obligations that may be issued by the City to fund a major renovation project at the Veterans Memorial Coliseum and any

bonds or debt obligations issued to refund those bonds, including refunding of such refunding bonds or debt obligations.

“Year One” means Fiscal Year 2018-19.

2. FUNDING AGREEMENTS

2.1. Multnomah County Code Chapter 11, Transient Lodging Tax Sections 11.400 through 11.499, or any successor Chapter pertaining to Revenue and Taxation, imposes a surcharge of 2.5% on the consideration charged for the occupancy of space in a hotel, as more fully defined in Multnomah County Code (the “VFTA TLT Surcharge”). The County will deposit the tax collections from the VFTA TLT Surcharge in the VFTA as provided in this Agreement.

2.2. Multnomah County Code Chapter 11, Motor Vehicle Rental Tax Sections 11.300 through 11.399, or any successor Chapter pertaining to Revenue and Taxation, imposes a surcharge of 2.5% on the fees and charges paid to a commercial establishment for the rental of a motor vehicle as more fully defined in Multnomah County Code (the “VFTA VRT Surcharge”). The County will deposit the tax collections from the VFTA VRT Surcharge in the VFTA until the OCC Bonds are paid or defeased, as provided in this Agreement.

2.3. The County will transfer the SSTLTR, as set forth in Multnomah County Code Chapter 11, Transient Lodging Tax Sections 11.400 through 11.499, or any successor Chapter pertaining to Revenue and Taxation, and described in Section 4.1.2 into the VFTA.

2.4. The City will transfer the SSTLTR as described in Section 5.4 to the County to be deposited into the VFTA.

3. VISITOR FACILITIES TRUST ACCOUNT

3.1. To implement this Agreement, the County has established the VFTA that is held separate from all other County funds. The County will deposit into the VFTA (i) the revenues described in Sections 2.1 through 2.4 immediately upon receipt, and (ii) the earnings on the amounts held in the VFTA and delinquent interest and penalties that are collected, periodically. The County CFO, as the VFTA Administrator, will disburse funds from the VFTA only as provided in the Agreement.

3.2. The “Beneficiaries” of the VFTA are:

3.2.1. The owners of the Bonds,

3.2.2. The City of Portland,

3.2.3. Metro,

3.2.4. The County, and

### 3.2.5. The Visitor Development Fund, Inc.

3.3. The Parties agree that each Fiscal Year, beginning in Year One and continuing until all Bonds are paid or defeased, the VFTA Administrator, after paying the Administrative Fee, refunds of surcharge taxes, including interest, and other charges required by state law, will apply funds in the VFTA solely for the purposes and in the order of priority described in Sections 3.3.1 through 3.3.17 and in accordance with the payment provisions of Section 4.2. Reimbursements are subject to the provisions of Section 4.2.6.

For debt service payments on the Bonds, the order of priority is described in Sections 3.3.1 through 3.3.5. Payments described in Sections 3.3.1 through 3.3.5 will be made to the issuer of the Bonds, or their trustee or paying agent, not later than the dates that the Bonds' respective legal documents require that payments be made to the trustee or paying agent for the Bonds. The payments described in Sections 3.3.1 through 3.3.5 will not be distributed pro rata.

To fund programs, services, operations, capital improvements, and marketing that support the purposes of this Agreement, the order of priority is described in Sections 3.3.6 through 3.3.14, unless (i) otherwise directed by the VDFI Board with concurrence of the Financial Review Team as described in Section 7.2.6 or (ii) by the Dispute Resolution Committee through dispute resolution in Section 8 or (iii) as described in Section 7.3.5. Unless otherwise stated, allocations in these Sections are as of Year One. Specified allocations are subject to being Escalated as defined in Section 3.4. The Parties acknowledge that the Net Revenues and TLT Net Revenues are deemed allocated first to pay debt service payments on the Bonds. The VFTA allocations set forth in Section 3.3.6 through 3.3.14 will not be distributed pro rata, unless (i) otherwise directed by the VDFI Board with concurrence by the Financial Review Team as described in Section 7.2.6, (ii) otherwise directed by the Dispute Resolution Committee through dispute resolution described in Section 8, or (iii) as provided in Section 7.2.7.

For the purposes of creating and maintaining reserves, the order of priority in funding a Restricted Reserve (RR), Strategic Reserve (SR) and General Reserve (GR) are described in Sections 3.3.15 through 3.3.17.

### DEBT SERVICE ALLOCATIONS

3.3.1. OCC Bonds. First, to the City the amount necessary to pay scheduled debt service on the Convention Center Completion Bonds (including any mandatory sinking fund or redemption payments), so long as OCC Bonds remain outstanding, and any amounts required to reimburse the City, as described in Section 4.2.6.1, for debt service it was required to pay from other sources in previous fiscal years in which insufficient funds were available in the VFTA to pay debt service when due on the OCC Bonds.

3.3.2. Stadium Bonds. Second, to the City the VFTA portion of the Stadium Bond payment, as established in Section 5.3.1, to pay scheduled debt service on

the Stadium Bonds (including any mandatory sinking fund or redemption payments), so long as Stadium Bonds remain outstanding, and any amounts required to reimburse the City, as described in Section 4.2.6.1, for debt service it was required to pay from sources other than Spectator Venues and Visitor Activities Fund Revenues in previous years in which insufficient funds were available in the VFTA to pay the VFTA portion of the debt service when due on the Stadium Bonds.

3.3.3. OCC Hotel Project Bonds. Third, to Metro, the amount necessary to pay scheduled debt service on OCC Hotel Project Bonds (including any mandatory sinking fund or redemption payments), so long as OCC Hotel Project Bonds remain outstanding and any amounts required to reimburse Metro, as described in Section 4.2.6.1, for debt service it was required to pay from other sources in previous fiscal years in which insufficient funds were available in the VFTA to pay debt service when due on the OCC Hotel Project Bonds.

3.3.4. VMC Renovation Bonds. Fourth, to the City, the amount necessary to pay scheduled debt service on VMC Renovation Bonds (including any mandatory sinking fund or redemption payments), if such bonds are issued as described in Section 5.5, so long as VMC Renovation Bonds remain outstanding and any amounts required to reimburse City, as described in Section 4.2.6.1, for debt service it was required to pay from other sources in previous fiscal years in which insufficient funds were available in the VFTA to pay debt service when due on the VMC Renovation Bonds.

3.3.5. Portland's Renovation Bonds. Fifth, to the City or Metro, the amount necessary to pay scheduled debt service on Portland's Renovation Bonds (including any mandatory sinking fund or redemption payments), if such bonds are issued as described in Section 5.6, so long as Portland's Renovation Bonds remain outstanding and any amounts required to reimburse City or Metro, as described in Section 4.2.6.1, for debt service it was required to pay from other sources in previous fiscal years in which insufficient funds were available in the VFTA to pay debt service when due on the Portland's Renovation Bonds.

#### FACILITY AND PROGRAM SUPPORT ALLOCATIONS

3.3.6. OCC Operating Support. Sixth, to Metro an amount not to exceed One Million, Four Hundred Twenty-Five Thousand Dollars (\$1,425,000), Escalated, for OCC Operating Support to maintain the OCC's competitiveness. An amount for "Additional OCC Operating Support" may also be requested by Metro annually prior to the Fiscal Year in which it will be paid. The amount of the Additional OCC Operating Support, if any, is subject to review by the Financial Review Team as described in Task 2A of Attachment A and approval by the VDFI Board with the concurrence of the Financial Review Team as described in Sections 3.3.6.1 through 3.3.6.5 and, may be referred to the dispute resolution process in Section 8 by the Financial Review Team as described in Section 3.3.6.6.

3.3.6.1. The Metro CFO will use best efforts to inform the VDFI Board and Financial Review Team by February 1<sup>st</sup> if a request for Additional Operating Support will be made for the following Fiscal Year. A request for Additional OCC Operating Support will be provided by the Metro CFO to the Financial Review Team no later than February 15<sup>th</sup>. The Financial Review Team will review the request and provide advice to the VDFI Board as described in Task 2A of Attachment A no later than March 5<sup>th</sup>. A request for Additional OCC Operating Support will include the proposed preliminary OCC Annual Budget, which will set forth in reasonable detail (i) anticipated OCC Operating Revenues, anticipated amount of Excise Tax Fund TLT to be directed to OCC operations and the anticipated OCC Operating Support, described in Section 3.3.6, for that Fiscal Year, (ii) anticipated OCC Operating Expenses and any proposed OCC Capital Improvement Expenses, (iii) the amount requested for Additional OCC Operating Support, and (iv) any other information the Metro CFO wishes to provide.

3.3.6.2. No later than March 15<sup>th</sup>, the VDFI Board will convene to (i) consider the FRT recommendation(s) and (ii) take action, through a vote of its authorized membership, to (x) approve the Additional OCC Operating Support, (y) approve a portion of the Additional OCC Operating Support, or (z) deny the Additional OCC Operating Support, and, if Additional OCC Operating Support is approved, (iii) direct the VFTA Administrator to disburse the approved Additional OCC Operating Support.

3.3.6.3. The standards for the VDFI Board's decision will be whether approval of Additional OCC Operating Support in the specified amount will (i) fulfill the purposes of this Agreement and (ii) based on the advice of the Financial Review Team through their action in Task 2A, allow all obligations of this Agreement to be met.

3.3.6.4. Within five (5) business days of the VDFI Board meeting described in Section 3.3.6.2, the decision of the VDFI Board in Section 3.3.6.2 will be completed and reported, in writing, by the VDFI Board Administrator to the VFTA Administrator, the Financial Review Team, and the Parties.

3.3.6.5. Within five (5) business days of receipt of the VDFI Board decision, the Financial Review Team will review the decision and, if all members of the Financial Review Team concur in support of the decision by the VDFI Board, the VDFI Board decision is final. The Financial Review Team may not modify or change the VDFI Board decision. Within three (3) business days of the Financial Review Team decision, the VFTA Administrator will provide a report of the decision, prepared in writing and reviewed by the Financial Review Team members, to the Parties and the VDFI Board.

3.3.6.6. If one or more members of the Financial Review Team disagree with the decision of the VDFI Board, the matter is referred to dispute resolution in Section 8. The VFTA Administrator will initiate dispute resolution by providing notice, which must be given or delivered, as described in Section 10.2, to the Parties and the VDFI Board within five (5) business days of the Financial Review Team decision. The notice will include the VDFI Board report described in 3.3.6.2 and the Financial Review Team report described in 3.3.6.5.

3.3.6.7. If an amount for OCC Operating Support is approved, either through the process described in Sections 3.3.6.1 through 3.3.6.5 or a dispute resolution decision described in Section 8.1.9, then upon adoption by the Metro Council of an annual budget that includes Additional OCC Operating Support, the Metro CFO may transmit the adopted budget to the VFTA Administrator, who will pay the authorized amount for Additional OCC Operating Support from the VFTA, as provided in this Agreement.

3.3.6.8. At the end of any Fiscal Year in which the OCC Operating Support and Additional OCC Operating Support, if any, is not fully expended to meet obligations of the OCC Annual Budget, the remaining funds will be deposited by Metro in an OCC reserve fund dedicated for future capital or operational needs of the OCC.

3.3.7. Livability and Safety Supportive Services. Seventh, to the County the amount of One Million Seven Hundred Seventy-Five Thousand Dollars (\$1,775,000), Escalated, (the “Base Amount”) to fund services and programs for people experiencing homelessness, or who are at risk of becoming homeless, and services and programs addressing the community livability and safety concerns associated with homelessness. It is the intention of this Section 3.3.7 to add to the existing provision of services and programs for people experiencing homelessness or who are at risk of becoming homeless and services and programs addressing the community livability and safety concerns associated with homelessness through increased funding to the Joint Office for Homeless Services, or any successor agency.

3.3.7.1. In FY 2022-23, the amount of Two Hundred Fifty Thousand Dollars (\$250,000) will be added to the Base Amount and the reset amount will be Escalated. The timing and amount of this increase will be subject to review by the Financial Review Team as described in Task 2B of Attachment A and approval by the VDFI Board with concurrence of the Financial Review Team as described in Sections 3.3.7.2 through 3.3.7.4 and may be referred to the dispute resolution process in Section 8 by the Financial Review Team as described in Section 3.3.7.5.

3.3.7.2. If one or more members of the FRT recommends reduction or delay of the allocation increase, the VDFI Board will convene no later than March 15<sup>th</sup> to (i) consider the FRT recommendations and (ii) take

action, through a vote of its authorized membership, to (x) approve the allowed increase in full, (y) approve a portion of the allowed increase, or (z) delay implementation of the allowed increase, and, if an allocation increase is approved, (iii) direct the VFTA Administrator to reset the allocation and disburse the approved increase.

3.3.7.3. The standards for the VDFI Board's decision will be whether approval of the allocation increase in the specified amount will (i) fulfill the purposes of this Agreement and (ii) based on the advice of the Financial Review Team through their action in Task 2B, allow all obligations of this Agreement to be met. The decision of the VDFI Board in Section 3.3.7.2 will be completed and reported in writing by the VDFI Board Administrator to the VFTA Administrator and the Parties within five (5) business days of the VDFI Board meeting described in Section 3.3.7.2.

3.3.7.4. Within five (5) business days of receipt of the VDFI Board decision, the Financial Review Team will review the decision and, if all members of the Financial Review Team concur in support of the decision by the VDFI Board, the VDFI Board decision is final. The Financial Review Team may not modify or change the VDFI Board decision. Within three (3) business days of the Financial Review Team decision, the VFTA Administrator will provide a report of the decision, prepared in writing and reviewed by the Financial Review Team members, to the Parties and the VDFI Board.

3.3.7.5. If one or more members of the Financial Review Team disagree with the decision of the VDFI Board, the matter is referred to dispute resolution in Section 8. The VFTA Administrator will initiate dispute resolution by providing notice, which must be given or delivered, as described in Section 10.2, to the Parties and the VDFI Board within five (5) business days of the Financial Review Team decision. The notice will include the VDFI Board report described in 3.3.7.3 and the Financial Review Team report described in 3.3.7.4.

3.3.7.6. The Livability and Safety Support allocation set forth in this Section 3.3.7 will terminate and such payment from the VFTA will no longer be made to the County in the event Multnomah County Code Chapter 11, Motor Vehicle Rental Tax Sections 11.300 through 11.399, or any successor Chapter pertaining to Revenue and Taxation, is modified such that the VFTA VRT Surcharge is no longer imposed or the VFTA VRT Surcharge collections are no longer deposited in the VFTA.

3.3.8. Enhanced OCC Marketing Support. Eighth, to Metro the amount of Five Hundred Thousand Dollars (\$500,000), Escalated, for enhanced convention center marketing.

3.3.9. Convention Visitor Public Transit Access. Ninth, to Metro, the amount paid to TriMet, up to Five Hundred Thousand Dollars (\$500,000), Escalated, for convention visitor public transit access. Not later than June 1 of each Fiscal Year, Metro will provide the VFTA Administrator with a statement indicating the amount paid for that Fiscal Year.

3.3.9.1. If, in any Fiscal Year, Metro pays TriMet more than Five Hundred Thousand Dollars (\$500,000), Escalated, Metro will be reimbursed the difference in the next Fiscal Year in accordance with Section 4.2.6.2.

3.3.9.2. If the amount Metro pays to TriMet in any Fiscal Year is equal to or greater than 150% of Five Hundred Thousand Dollars (\$500,000), Escalated, Metro will (i) seek to modify its agreement with TriMet such that the overall costs are reduced to an amount equal to Five Hundred Thousand Dollars (\$500,000), Escalated, or (ii) seek to modify the manner in which the convention center transit access is provided such that the overall costs are reduced to an amount equal to Five Hundred Thousand Dollars (\$500,000), Escalated or (iii) terminate the agreement with TriMet.

3.3.10. Visitor Development Fund. Tenth, to VDFI, the amount of One Million Six Hundred Twenty-Five Thousand Dollars (\$1,625,000) to be deposited in the “Visitor Development Fund” (or “VDF”) as described in the VDFSA for convention and tourism marketing purposes.

3.3.10.1. In FY 2019-20, this amount will reset to Two Million Five Hundred Thousand Dollars (\$2,500,000), Escalated.

3.3.11. P’5 Operations Support. Eleventh, to Metro, for so long as Metro operates P’5, the amount of Seven Hundred Fifty Thousand Dollars (\$750,000), Escalated to fund operations, capital improvements and activities at P’5 facilities.

3.3.11.1. In FY 2023-24, this amount will reset to One Million Dollars (\$1,000,000), Escalated. The timing and amount of this increase will be subject to review by the Financial Review Team as described in Task 2B of Attachment A and approval by the VDFI Board with concurrence of the Financial Review Team as described in Sections 3.3.11.3 through 3.3.11.5 and may be referred to the dispute resolution process in Section 8 by the Financial Review Team as described in Section 3.3.11.6.

3.3.11.2. In FY 2028-29, this amount will reset to One Million Five Hundred Thousand Dollars (\$1,500,000), Escalated. The timing and amount of this increase will be subject to review by the Financial Review Team as described in Task 2B of Attachment A and approval by the VDFI Board with concurrence of the Financial Review Team as described in Sections 3.3.11.3 through 3.3.11.5 and may be referred to the dispute

resolution process in Section 8 by the Financial Review Team as described in Section 3.3.11.6.

3.3.11.3. If one or more members of the FRT recommends reduction or delay of the allocation increase, the VDFI Board will convene no later than March 15<sup>th</sup> to (i) consider the FRT recommendations and (ii) take action, through a vote of its authorized membership, to (x) approve the allowed increase in full, (y) approve a portion of the allowed increase, or (z) delay implementation of the allowed increase, and, if an allocation increase is approved, (iii) direct the VFTA Administrator to reset the allocation and disburse the approved increase.

3.3.11.4. The standards for the VDFI Board's decision will be whether approval of the allocation increase in the specified amount will (i) fulfill the purposes of this Agreement and (ii) based on the advice of the Financial Review Team through their action in Task 2B, allow all obligations of this Agreement to be met. The decision of the VDFI Board in Section 3.3.11.3 will be completed and reported in writing by the VDFI Board Administrator to the VFTA Administrator and the Parties within five (5) business days of the VDFI Board meeting described in 3.3.11.3.

3.3.11.5. Within five (5) business days of receipt of the VDFI Board decision, the Financial Review Team will review the decision and, if all members of the Financial Review Team concur in support of the decision by the VDFI Board, the VDFI Board decision is final. The Financial Review Team may not modify or change the VDFI Board decision. Within three (3) business days of the Financial Review Team decision, the VFTA Administrator will provide a report of the decision, prepared in writing and reviewed by the Financial Review Team members, to the Parties and the VDFI Board.

3.3.11.6. If one or more members of the Financial Review Team disagree with the decision of the VDFI Board, the matter is referred to dispute resolution in Section 8. The VFTA Administrator will initiate dispute resolution by providing notice, which must be given or delivered, as described in Section 10.2, to the Parties and the VDFI Board within five (5) business days of the Financial Review Team decision. The notice will include the VDFI Board report described in 3.3.11.4 and the Financial Review Team report described in 3.3.11.5.

3.3.11.7. If P'5 commences the acoustical shell replacement project at the Arlene Schnitzer Concert Hall by June 1, 2019, Two Million Dollars (\$2,000,000) will be added to the amount for P'5 Operating Support in FY 2018-19. If by June 1, 2019, Metro presents the VFTA Administrator with documentation, such as an executed construction contract, that the project has commenced, the VFTA Administrator will pay this allocation. This is a one-time allocation and will be paid for FY 2018-19 only.

3.3.11.8. If the operation of the P'5 facilities are transferred to the City or other public or private entity, this allocation will transfer to that operator.

3.3.12. Rose Quarter Facilities and City Tourism Support. Twelfth, to the City, the amount of Five Hundred Seventy-Five Thousand Dollars (\$575,000), Escalated, to fund Rose Quarter Facilities operations and capital improvements, and other City activities supporting the purposes of this Agreement.

3.3.12.1. In FY 2028-29, this amount will reset to One Million Five Hundred Thousand Dollars (\$1,500,000), Escalated. The timing and amount of this increase will be subject to review by the Financial Review Team as described in Task 2B of Attachment A and approval by the VDFI Board with concurrence of the Financial Review Team as described in Sections 3.3.12.2 through 3.3.12.4 and may be referred to the dispute resolution process in Section 8 by the Financial Review Team as described in Section 3.3.12.5.

3.3.12.2. If one or more members of the FRT recommends reduction or delay of the allocation increase, the VDFI Board will convene no later than March 15<sup>th</sup> to (i) consider the FRT recommendations and (ii) take action, through a vote of its authorized membership, to (x) approve the allowed increase in full, (y) approve a portion of the allowed increase, or (z) delay implementation of the allowed increase, and, if an allocation increase is approved, (iii) direct the VFTA Administrator to reset the allocation and disburse the approved increase.

3.3.12.3. The standards for the VDFI Board's decision will be whether approval of the allocation increase in the specified amount will (i) fulfill the purposes of this Agreement and (ii) based on the advice of the Financial Review Team through their action in Task 2B, allow all obligations of this Agreement to be met. The decision of the VDFI Board in Section 3.3.12.2 will be completed and reported in writing by the VDFI Board Administrator to the VFTA Administrator and the Parties within five (5) business days of the VDFI Board meeting described in Section 3.3.12.2.

3.3.12.4. Within five (5) business days of receipt of the VDFI Board decision, the Financial Review Team will review the decision and, if all members of the Financial Review Team concur in support of the decision by the VDFI Board, the VDFI Board decision is final. The Financial Review Team may not modify or change the VDFI Board decision. Within three (3) business days of the Financial Review Team decision, the VFTA Administrator will provide a report of the decision, prepared in writing and reviewed by the Financial Review Team members, to the Parties and the VDFI Board.

3.3.12.5. If one or more members of the Financial Review Team disagree with the decision of the VDFI Board, the matter is referred to dispute resolution in Section 8. The VFTA Administrator will initiate dispute resolution by providing notice, which must be given or delivered, as described in Section 10.2, to the Parties and the VDFI Board within five (5) business days of the Financial Review Team decision. The notice will include the VDFI Board report described in 3.3.12.3 and the Financial Review Team report described in 3.3.12.4.

3.3.13. Portland Expo Center Operations Support. Thirteenth, to Metro, Five Hundred Seventy-Five Thousand Dollars (\$575,000), Escalated, to fund operations, capital improvements and activities at the Portland Expo Center.

3.3.13.1. In FY 2026-27 this amount will reset to Seven Hundred Fifty Thousand Dollars (\$750,000), Escalated. The timing and amount of this increase will be subject to review by the Financial Review Team as described in Task 2B of Attachment A and approval by the VDFI Board with concurrence of the Financial Review Team as described in Sections 3.3.13.3 through 3.3.13.5 and may be referred to the dispute resolution process in Section 8 by the Financial Review Team as described in Section 3.3.13.6.

3.3.13.2. In FY 2028-29, this amount will reset to One Million Five Hundred Dollars (\$1,500,000), Escalated. The timing and amount of this increase will be subject to review by the Financial Review Team as described in Task 2B of Attachment A and approval by the VDFI Board with concurrence of the Financial Review Team as described in Sections 3.3.13.3 through 3.3.13.5 and may be referred to the dispute resolution process in Section 8 by the Financial Review Team as described in Section 3.3.13.6.

3.3.13.3. If one or more members of the FRT recommends reduction or delay of the allocation increase, the VDFI Board will convene no later than March 15<sup>th</sup> to (i) consider the FRT recommendations and (ii) take action, through a vote of its authorized membership, to (x) approve the allowed increase in full, (y) approve a portion of the allowed increase, or (z) delay implementation of the allowed increase, and, if an allocation increase is approved, (iii) direct the VFTA Administrator to reset the allocation and disburse the approved increase.

3.3.13.4. The standards for the VDFI Board's decision will be whether approval of the allocation increase in the specified amount will (i) fulfill the purposes of this Agreement and (ii) based on the advice of the Financial Review Team through their action in Task 2B, allow all obligations of this Agreement to be met. The decision of the VDFI Board in Section 3.3.13.3 will be completed and reported in writing by the VDFI Board Administrator to the VFTA Administrator and the Parties within

five (5) business days of the VDFI Board meeting described in Section 3.3.13.3.

3.3.13.5. Within five (5) business days of receipt of the VDFI Board decision, the Financial Review Team will review the decision and, if all members of the Financial Review Team concur in support of the decision by the VDFI Board, the VDFI Board decision is final. The Financial Review Team may not modify or change the VDFI Board decision. Within three (3) business days of the Financial Review Team decision, the VFTA Administrator will provide a report of the decision, prepared in writing and reviewed by the Financial Review Team members, to the Parties and the VDFI Board.

3.3.13.6. If one or more members of the Financial Review Team disagree with the decision of the VDFI Board, the matter is referred to dispute resolution in Section 8. The VFTA Administrator will initiate dispute resolution by providing notice, which must be given or delivered, as described in Section 10.2, to the Parties and the VDFI Board within five (5) business days of the Financial Review Team decision. The notice will include the VDFI Board report described in 3.3.13.4 and the Financial Review Team report described in 3.3.13.5.

3.3.14. Additional Livability and Safety Supportive Services. Fourteenth, to the County an “Additional L&S Support Amount” as described in Section 3.3.14.1 through 3.3.14.3, to fund services and programs for people experiencing homelessness, or who are at risk of becoming homeless, and services and programs addressing the community livability and safety concerns associated with homelessness. It is the intention of this Section 3.3.14 to add to the existing provision of services and programs for people experiencing homelessness or who are at risk of becoming homeless and services and programs addressing the community livability and safety concerns associated with homelessness through increased funding to the Joint Office for Homeless Services, or any successor agency.

3.3.14.1. For FY 2019-20 an Additional L&S Support Amount equal to the difference between the Base Amount and Two Million Five Hundred Thousand Dollars (\$2,500,000) will be disbursed.

3.3.14.2. For FY 2020-21 an Additional L&S Support Amount equal to the difference between the Base Amount and Three Million Two Hundred Fifty Thousand Dollars (\$3,250,000) will be disbursed.

3.3.14.3. For FY 2021-22 an Additional L&S Support Amount equal to the difference between the Base Amount and Three Million Seven Hundred Seventy-Five Thousand Dollars (\$3,775,000) will be disbursed.

3.3.14.4. Beginning in FY 2022-23 and continuing annually thereafter, an Additional L&S Support Amount equal to the difference between the Base Amount and Five Million Two Hundred Fifty Thousand Dollars (\$5,250,000), Escalated, will be disbursed.

3.3.14.5. The Livability and Safety Support allocation set forth in this Section 3.3.14 will terminate and such payment from the VFTA will no longer be made to the County in the event Multnomah County Code Chapter 11, Motor Vehicle Rental Tax Sections 11.300 through 11.399, or any successor Chapter pertaining to Revenue and Taxation, is modified such that the VFTA VRT Surcharge is no longer imposed or the VFTA VRT Surcharge collections are no longer deposited in the VFTA.

RESERVE ALLOCATIONS

3.3.15. Restricted Reserve. Fifteenth, to a “Restricted Reserve” (or “RR”), which funds will be reserved for use in making disbursements in future years if Net Revenues and TLT Net Revenues are insufficient to pay all disbursements required for Sections 3.3.1 through 3.3.14. The minimum amount to be established and maintained in the RR will be equal to one (1) times the maximum annual payments projected in the VFTA Fund Forecast to be expended for the required allocations in Sections 3.3.6 through 3.3.14 during the next five (5) Fiscal Years.

3.3.15.1. At the end of Year One, the Restricted Reserve will be fully funded at a level equal to one (1) times the maximum annual payments projected in the VFTA Fund Forecast to be expended for the required allocations in Sections 3.3.6 through 3.3.14 during the next five (5) Fiscal Years by transferring funds from the Bond Redemption Reserve to the Restricted Reserve.

3.3.16. Strategic Reserve. Sixteenth, to a “Strategic Reserve” (or “SR”), the difference between the balance of the Strategic Reserve at the end of each Fiscal Year and Two Million Dollars (\$2,000,000), or another amount as may be determined by the VDFI Board with concurrence of the Financial Review Team as described in Sections 3.3.16.9 through 3.3.16.10, or may be referred to the dispute resolution process in Section 8 by the Financial Review Team as described in Section 3.3.16.11. The purpose of the Strategic Reserve is to fund large-scale events, conventions and other strategic opportunities that will create economic benefit and that require a financial commitment to gain agreement from the event sponsors, organizers or promoters to stage the event in Portland.

3.3.16.1. At the end of Year One, the Strategic Reserve will be fully funded by transferring Two Million Dollars (\$2,000,000) from the Bond Redemption Reserve to the Strategic Reserve.

3.3.16.2. The VDFI Board will establish guidelines for the submission of requests for use of funds from the Strategic Reserve consistent with the purpose of the Strategic Reserve.

3.3.16.3. The VDFI Board will submit all requests for funds to the Financial Review Team at least twenty (20) business days prior to the date of the meeting at which the VDFI Board will consider the request. The Financial Review Team will review each request as described in Task 2C of Attachment A.

3.3.16.4. A request for funds from the Strategic Reserve will be subject to specific action by the VDFI Board, acting through a vote of its authorized membership and taking into consideration the recommendation of the Financial Review Team. Upon receipt of the Financial Review Team report as described in Task 2C of Attachment A, the VDFI Board will convene within fifteen (15) business days and may (i) approve the request for the amount requested, (ii) reduce the amount and approve the request, or (iii) deny the request. Within five (5) business days of reaching their decision, the decision of the VDFI Board under this section 3.3.16.4 will be reported in writing by the VDFI Board Administrator and transmitted to the Parties and the VFTA Administrator.

3.3.16.5. Within five (5) business days of receipt of the VDFI Board decision in Section 13.16.4, the Financial Review Team will review the decision and, if all members of the Financial Review Team concur in support of the decision by the VDFI Board, the VDFI Board decision is final. The Financial Review Team may not modify or change the VDFI Board decision. Within three (3) business days of the Financial Review Team decision, the VFTA Administrator will provide a report of the decision, prepared in writing and reviewed by the Financial Review Team members, to the Parties and the VDFI Board.

3.3.16.6. If one or more members of the Financial Review Team disagree with the decision of the VDFI Board, the matter is referred to dispute resolution in Section 8. The VFTA Administrator will initiate dispute resolution by providing notice, which must be given or delivered, as described in Section 10.2, to the Parties and the VDFI Board within five (5) business days of the Financial Review Team decision. The notice will include the VDFI Board report described in 3.3.16.4 and the Financial Review Team report described in 3.3.16.5.

3.3.16.7. Upon approval of an allocation from the Strategic Reserve, whether such approval is through the process described in Sections 3.3.16.3 through 3.3.16.5 or through the dispute resolution process in Section 8, the VFTA Administrator will encumber within the Strategic Reserve the amount approved until the VDFI Board Administrator submits a request for payment. The VFTA Administrator will make the

disbursement within thirty (30) calendar days of receipt of the request for payment from the VDFI Board Administrator and will inform the Financial Review Team of such disbursement.

3.3.16.8. After the use of funds from the Strategic Reserve has been approved and paid by the VFTA Administrator, the Financial Review Team, as described in Task 2C of Attachment A, will recommend to the VDFI Board a plan for the restoration of funds to the Strategic Reserve, which may include restoration over multiple Fiscal Years and may include transferring funds from the General Reserve.

3.3.16.9. The VDFI Board will convene within twenty (20) business days of receipt of Financial Review Team report under Task 2C of Attachment A, or by March 15<sup>th</sup>, whichever comes first, to consider and act upon the Financial Review Team recommendation(s) for a plan to restore funds to the Strategic Reserve. Acting through a vote of its authorized membership, the VDFI Board will (i) take action to (x) accept, (y) modify, or (z) deny the Financial Review Team recommendation(s) on a plan to restore funds to the Strategic Plan, which may include restoration over more than one Fiscal Year and the use of funds in the General Reserve, and (ii) direct the VFTA Administrator to implement any approved plan. Within five (5) business days of reaching their decision, the decision of the VDFI Board under this section 3.3.16.8 will be reported in writing by the VDFI Board Administrator and transmitted to the Parties and the VFTA Administrator.

3.3.16.10. Within five (5) business days of receipt of the VDFI Board decision in Section 3.3.16.9, the Financial Review Team will review the decision and, if all members of the Financial Review Team concur in support of the decision by the VDFI Board, the VDFI Board decision is final. The Financial Review Team may not modify or change the VDFI Board decision. Within three (3) business days of the Financial Review Team decision, the VFTA Administrator will provide a report of the decision, prepared in writing and reviewed by the Financial Review Team members, to the Parties and the VDFI Board.

3.3.16.11. If one or more members of the Financial Review Team disagree with the decision of the VDFI Board, the matter is referred to dispute resolution in Section 8. The VFTA Administrator will initiate dispute resolution by providing notice, which must be given or delivered, as described in Section 10.2, to the Parties and the VDFI Board within five (5) business days of the Financial Review Team decision. The notice will include the VDFI Board report described in 3.3.16.9 and the Financial Review Team report described in 3.3.16.10.

3.3.16.12. After Year One, if the Restricted Reserve is not funded at the level described in Section 3.3.15, and after transferring all funds in the

General Reserve to the Restricted Reserve as described in Section 3.3.17, the VFTA Administrator will transfer funds from the Strategic Reserve to the Restricted Reserve to the extent necessary to fully fund the Restricted Reserve.

3.3.17. General Reserve. Seventeenth, to a “General Reserve” (or “GR”), which will be used to replenish the Restricted Reserve and Strategic Reserve or disbursed as directed by the VDFI Board with concurrence of the Financial Review Team as described in Sections 3.3.16.8 and 3.3.16.9 or Section 7.2.6, or by the Dispute Resolution Committee through dispute resolution in Section 8.

3.3.17.1. After Year One, if the Restricted Reserve is not funded at the level described in Section 3.3.15, the VFTA Administrator will transfer funds in the General Reserve to the Restricted Reserve to the extent necessary to fully fund the Restricted Reserve.

3.3.17.2. Upon approval by of the VDFI Board with concurrence of the Financial Review Team as described in Sections 3.3.16.8 and 3.3.16.9 or Section 7.2.6, or by the Dispute Resolution Committee through dispute resolution in Section 8, and a report of such decision being provided to the VFTA Administrator in writing, the VFTA Administrator will transfer funds in the General Reserve to the Strategic Reserve or disburse funds held in the General Reserve to the Parties or VDFI Administrator.

3.3.18. Bond Redemption Reserve. Established in the 2013 Agreement, the Bond Redemption Reserve was intended to be used to redeem Bonds prior to their stated maturity date and at their earliest optional redemption date. Funds held in the Bond Redemption Reserve at the end of Year One of this 2018 Agreement, will be transferred to the Restricted Reserve as described in Section 3.3.15.1 and the Strategic Reserve as described in Section 3.3.16.1, after which, any remaining funds in the Bond Redemption Reserve will be transfer to the General Reserve described in Section 3.3.17 and the Bond Redemption Reserve will be closed.

3.4. Allocations Subject to Being Escalated. “Escalated” means an annual increase to a stated amount based on the change in the CPI between the second half of the prior calendar year compared to the second half of the year immediately preceding the prior calendar year. For example, for Fiscal Year 2019-2020 (July 1, 2019 – June 30, 2020), each of the allocations will be multiplied by a fraction, the numerator of which is the CPI for the second half of 2018 (July 1 – December 31, 2018) and the denominator of which is the CPI for the second half of 2017 (July 1 – December 31, 2017). If the calculation described above is a negative number, Escalation for that Fiscal Year will be zero and the same amount disbursed the prior Fiscal Year will be disbursed in the next Fiscal Year for Escalated allocations. Escalation for all allocation amounts in Sections 3.3.6 through 3.3.14 begins in the Fiscal Year after Year One and continues annually thereafter unless otherwise stated. For any allocation amount that is reset to a new level, as described in Sections 3.3.6 through 3.3.14, Escalation for the reset amount begins in the first Fiscal Year after the Fiscal Year in which the reset occurs. For example, Escalation of an

allocation that increases in FY 2024-25 begins in FY 2025-26. The VFTA Administrator will calculate the Escalated amount for each Escalated allocation in Sections 3.3.6 through 3.3.14 at least one-hundred (100) calendar days prior to the start of each Fiscal Year.

#### 4. COUNTY OBLIGATIONS

##### 4.1. Dedication of Net Revenues, TLT Net Revenues, and SSSLTR.

4.1.1. The County acknowledges that the City and Metro have issued Bonds in reliance upon and secured fully or in part by the Net Revenues and TLT Net Revenues.

4.1.2. The County commits to deposit into the VFTA (i) the tax collections from the VFTA TLT Surcharge and the VFTA VRT Surcharge and (ii) the SSSLTR, once these tax collections are redirected to the VFTA by the City and County.

4.1.3. Within ninety (90) calendar days of execution of this Agreement, the County will adopt an ordinance amending Multnomah County Code Chapter 11 in a manner consistent with this Agreement. The Parties expect such County Code amendments will not simply restate all terms and conditions contained herein, recognizing many of the terms and conditions contained herein are administrative and not legislative in nature. Based on the forgoing acknowledgment, the Parties desire that the County Code amendments will allow for future amendments to this Agreement without requiring a corresponding ordinance to amend or modify the County's Code by providing that adoption of amendments to this Agreement by vote of the Multnomah County Board of Commissioners constitutes adoption of any applicable provisions to the Multnomah County Code necessary to effectuate the amendment to this Agreement. The County will allow bond counsel for the City and Metro to review the proposed code amendments and will gain bond counsel's verbal approval, which shall not be unreasonably withheld, prior to adopting such amendments.

4.1.4. The County pledges the Net Revenues to pay the OCC Bonds. The pledge is valid and binding from April 1, 2000 and will remain in effect until the OCC Bonds are fully paid. The Net Revenues pledged are immediately subject to the lien of the pledge and that lien is, and will remain, superior to other claims and liens. The County's obligations under this Section 4.1.4 are limited solely to the Net Revenues and this Agreement is not "bonded indebtedness" within the meaning of Section 10, Article XI of the Oregon Constitution or as described in ORS 287A.105.

4.1.5. The County pledges the TLT Net Revenues to pay the Stadium Bonds, the OCC Hotel Project Bonds and, if they are issued as described in Sections 5.5, 5.6 or 6.4, the VMC Renovation Bonds and the P'5 Renovation Bonds in the order of priority established in Sections 3.3.1 through 3.3.5. The pledge is valid and binding from the date of the 2013 Agreement and will remain in effect until the

Stadium Bonds, the OCC Hotel Project Bonds and, if they are issued as described in Sections 5.5, 5.6 or 6.4, the VMC Renovation Bonds and the P'5 Renovation Bonds are fully paid. The TLT Net Revenues pledged are immediately subject to the lien of the pledge, and, except as provided in Section 4.1.4, that lien is, and will remain, superior to other claims and liens. The County's obligations under this Section 4.1.5 are limited solely to the TLT Net Revenues and this Agreement is not "bonded indebtedness" within the meaning of Section 10, Article XI of the Oregon Constitution or as described in ORS 287A.105.

4.1.6. The City may assign the County's pledge of the Net Revenues for the benefit of the owners of the OCC Bonds.

4.1.7. The City may assign the County's pledge of the TLT Net Revenues for the benefit of the owners of the City Bonds and Metro may assign the County's pledge of the TLT Net Revenues for the benefit of the owners of the OCC Hotel Project Bonds, and the P'5 Renovations Bonds if they are issued by Metro consistent with Section 6.4.

4.1.8. The County may make further subordinate pledges of the 14.5% base vehicle rental taxes collected under Multnomah County Code 11.301(B), or any successor Chapter pertaining to Revenue and Taxation. Until the Bonds are paid or defeased, the County will not grant any additional liens on the Net Revenues or TLT Net Revenues.

4.1.9. Pursuant to the authority of ORS 287A.325, the County hereby agrees that it will:

4.1.9.1. Maintain the VFTA TLT Surcharge and the VFTA VRT Surcharge in effect until the OCC Bonds have been paid or the County has transferred sufficient funds to the City to defease the OCC Bonds.

4.1.9.2. Maintain the VFTA TLT Surcharge and the Excise Tax Fund TLT in effect until all OCC Hotel Project Bonds have been paid or the County has transferred sufficient funds to Metro to defease the OCC Hotel Project Bonds.

4.1.9.3. Maintain the VFTA TLT Surcharge in effect until the Stadium Bonds have been paid or the County has transferred sufficient funds to the City to defease the Stadium Bonds and until VMC Renovation Bonds and/or P'5 Renovation Bonds, if such bonds are issued consistent with Sections 5.5 and/or 5.6, have been paid or the County has transferred sufficient funds to the City to defease VMC Renovation Bonds and/or P'5 Renovation Bonds or the County has transferred sufficient funds to Metro if they issue P'5 Renovation Bonds consistent with Section 6.4, to defease the P'5 Renovation Bonds.

4.2. Payment from the VFTA.

4.2.1. The County has established and will maintain a VFTA that complies with the terms of this Agreement.

4.2.2. After paying the Administrative Fee, refunds of surcharge taxes, including interest, and other charges required by state law, the VFTA Administrator will apply funds in the VFTA solely for the purposes and in the order of priority described in Sections 3.3.1 through 3.3.17, unless (i) otherwise directed by the VDFI Board with concurrence of the Financial Review Team as described in Section 7.2.6, which does not include the discretion to adjust the priorities in Sections 3.3.1 through 3.3.5, or (ii) by the Dispute Resolution Committee through dispute resolution in Section 8, which does not include the discretion to adjust the priorities in Sections 3.3.1 through 3.3.5, or (iii) as described in Section 7.3.5.

4.2.3. The County will make payments (i) to the City for the OCC Bonds, Stadium Bonds, and VMC Renovation Bonds and P'5 Renovation Bonds, if such bonds are issued as described in Section 5.5 and 5.6, according to the established bond payment schedule, (ii) to Metro, or the bond trustee or paying agent, for the OCC Hotel Project Bonds and P'5 Renovation Bonds, if such bonds are issued as described in Section 6.4, according to the established bond payment schedule, (iii) to Metro quarterly, and (iv) to all other Beneficiaries at the end of each Fiscal Year in the amounts described in Sections 3.3.6 through 3.3.14.

4.2.4. The County will deposit into the reserves the amount required by Sections 3.3.15 through 3.3.17.

4.2.5. For each allocation amount in Section 3.3, if there are insufficient funds flowing into the VFTA to fully fund all allocations, the allocations will be funded from the Restricted Reserve in the same priority order stated in Section 3.3, unless a different priority is directed by (i) the VDFI Board with concurrence of the Financial Review Team as described in Section 7.2.6 or (ii) the Dispute Resolution Committee through dispute resolution in Section 8.

4.2.6. Reimbursements from the VFTA will occur as follows:

4.2.6.1. If there are insufficient funds in the VFTA in a Fiscal Year to pay the debt service allocations in Section 3.3.1 through 3.3.5, the City or Metro will be reimbursed in subsequent Fiscal Years after the allocations in Sections 3.3.1 through 3.3.5 are paid for the current Fiscal Year and before allocations in Sections 3.3.6 through 3.3.14 are disbursed for the current Fiscal Year.

4.2.6.2. If Metro pays TriMet more than the allocation in Section 3.3.9 in a Fiscal Year, Metro will be reimbursed in subsequent Fiscal Years after the allocations in Sections 3.3.1 through 3.3.5 are paid for the current Fiscal Year and after any reimbursement described in Section 4.2.6.1 is

paid but before allocations in Sections 3.3.6 through 3.3.14 are disbursed for the current Fiscal Year.

4.2.6.3. No other allocation in the Agreement will be eligible for reimbursement.

4.2.6.4. Reimbursement amounts will be paid with interest. Interest on amounts to be paid under this Section 4.2.6 will be at the State of Oregon Local Government Investment Pool rate, determined as of the time of the reimbursement, for the time period beginning on the first day of the Fiscal Year following the date in which the payment requiring reimbursement was outstanding and continuing until the reimbursement payment date.

4.3. The powers and duties of the County as the VFTA Administrator are as follows:

4.3.1. The VFTA Administrator will maintain records regarding aggregate tax receipts and the calculation of the VFTA revenues and make those records available to the Beneficiaries upon request.

4.3.2. The VFTA Administrator will make an annual accounting of the VFTA and provide that accounting to the Financial Review Team, the VDFI Board and the Parties and will make that accounting available for review by the City Auditor, the County Auditor and the Metro Auditor.

4.3.3. The VFTA Administrator will prepare an annual forecast of projected income and expenses for the VFTA through the life of the Agreement (the “VFTA Fund Forecast”) and provide that forecast to the Financial Review Team, the VDFI Board Administrator and the Parties, and to the Beneficiaries, upon their request.

4.3.4. No later than forty-five (45) calendar days after the end of each quarter, the VFTA Administrator will prepare a report of the prior quarter’s VFTA revenues in comparison to VFTA revenues for the same quarter in the prior year and provide that report to the Financial Review Team, the VDFI Board and the Parties.

4.3.5. The County will exercise the rights and powers vested in it by this Agreement and use the same degree of care and skill as a prudent person would exercise or use under the circumstances.

4.3.6. The County may rely upon any certificate from a Beneficiary reasonably believed by the County to be genuine and correct, and reasonably believed by the County to have been signed or sent by the City or Metro authorized representative.

4.3.7. The County will not be answerable for other than its negligence or willful misconduct in the performance of its powers and duties under this Agreement.

4.3.8. This Agreement does not require the County to expend or risk its own funds (other than the Net Revenues or TLT Net Revenues) or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of its rights or powers, if the County has reasonable grounds for believing that repayment of such funds, or in the alternative, indemnity satisfactory to it against such expense, risk or liability, is not reasonably assured to it.

4.3.9. Any moneys held as part of the VFTA will be invested or reinvested by the County in legally authorized investments and administered according to the County's investment policy. All proceeds of such investments will be deposited into and become part of the VFTA.

4.4. The County will not take any action, or fail to take any action, that would cause any tax-exempt Bonds, either existing tax-exempt Bonds or new tax-exempt debt obligations contemplated in this Agreement, to lose federal tax-exempt status and be deemed federally taxable. The County will indemnify the Parties for any costs incurred by the Parties from County action, or failure to take action, that causes the tax-exempt Bonds, either existing new tax-exempt Bonds or new tax-exempt debt obligations contemplated in this Agreement, to lose federal tax-exempt status and be deemed federally taxable.

## 5. CITY OBLIGATIONS

5.1. The City has issued limited tax revenue bonds, secured by the City's full faith and credit and amortized over a period not to exceed 30 years from the original date of the 2001 Agreement (January 31, 2001), as follows:

5.1.1. The Convention Center Completion Bonds, dated February 13, 2001, in the amount of \$99,998,888.25 and as subsequently refunded, including the costs of issuance; and

5.1.2. The Stadium Bonds, dated May 15, 2001, in the amount of \$35,000,000 and as subsequently refunded, including costs of issuance.

5.2. The City issued the OCC Bonds conditioned on the VFTA TLT Surcharge and the VFTA VRT Surcharge, the creation of the VFTA, and the County's dedication of the tax collections from the VFTA TLT Surcharge and the VFTA VRT Surcharge to the VFTA. The City issued the Stadium Bonds conditioned on the VFTA TLT Surcharge, the creation of the VFTA, and the County's dedication of the tax collections from the VFTA TLT Surcharge to the VFTA.

5.3. So long as Stadium Bonds are outstanding and are not refunded prior to their maturity:

5.3.1. The debt service on the Stadium Bonds will be apportioned between the City and VFTA as follows:

Fiscal Year	City Portion of Stadium Bond Payment	VFTA Portion of Stadium Bond Payment
FY 2018-19	\$ 1,768,693.65	\$ 1,267,409.45
FY 2019-20	\$ 1,839,441.40	\$ 1,197,445.50
FY 2020-21	\$ 1,913,019.05	\$ 1,123,839.45
FY 2021-22	\$ 1,989,539.81	\$ 1,049,412.69
FY 2022-23	\$ 2,069,121.41	\$ 204,883.99

5.3.2. The City will pay its portion of the debt service on the Stadium Bonds from resources of the City’s Spectator Venues and Visitor Activities Fund (the “Spectator Venues and Visitor Activities Fund Revenues”).

5.3.3. The City will calculate and provide directly to the VDFI Board Administrator the amount of any VFTA TLT Surcharge the City estimates to have been collected within East County Cities in the prior Fiscal Year that was applied to pay debt service on the Stadium Bonds. This amount will be administered by the VDFI Board for visitor development programs, services or projects that benefit the East County Cities.

5.4. Beginning the first Fiscal Year SSTLTR is generated by the OCC Hotel Project, the City will transfer funds equal to the SSTLTR attributable to the City 5% TLT, and collected pursuant to Portland City Code Chapter 6.04, to the County to deposit in the VFTA, and continuing for the duration that the OCC Hotel Project Bonds remain outstanding.

5.5. The City intends to issue VMC Renovation Bonds as follows:

5.5.1. No sooner than January 1, 2021, in support of a project to renovate the Veterans Memorial Coliseum, the City intends to issue, in one or more series of bonds or debt obligations, VMC Renovation Bonds, which will be bonds or other debt obligations expected to provide total net proceeds of not more than Forty Million Dollars (\$40,000,000), escalated using Construction Cost Escalation for each Fiscal Year from Year One until the year of initial debt issuance, to fund the proposed renovation project.

5.5.2. If the City establishes the parameters of the project by December 31, 2027, and thereafter issues VMC Renovation Bonds, the VMC Renovation Bonds may be secured in part or in whole by TLT Net Revenues and will be repaid over a period not to exceed twenty-one (21) years from the date of issuance of each respective series of VMC Renovation Bonds issued. The City will consider financing options that minimize the financial impact of debt service payments on TLT Net Revenues, including the use of full faith and credit bonds, subject to decision by the Portland City Council, in their sole discretion.

5.5.3. At least forty-five (45) calendar days prior to issuing VMC Renovation Bonds, the City will submit the estimated bond debt service schedule to the

Financial Review Team for review and verification as described in Task 3A of Attachment A. If the Financial Review Team verifies the debt service as described in Task 3A of Attachment A, the VFTA Administrator is authorized to disburse VFTA funds for the VMC Renovation Bonds debt service payments. If the FRT indicates changes are needed, the City may resubmit a revised estimated bond debt service schedule.

5.5.4. Twice each year, no later than February 15<sup>th</sup> and September 15<sup>th</sup>, in all years before VMC Renovation Bonds are issued, the City will provide an update to the Financial Review Team on the status of its intent to issue VMC Renovation Bonds, including the expected timing of issuance and the estimated annual debt service.

5.6. The City intends to issue P'5 Renovation Bonds as follows:

5.6.1. No sooner than January 1, 2024, in support of a project to renovate the Portland's Centers for the Arts, the City intends to issue, in one or more series of bonds or debt obligations, P'5 Renovation Bonds, which will be bonds or other debt obligations expected to provide total net proceeds of not more than Forty Million Dollars (\$40,000,000), escalated using Construction Cost Escalation for each Fiscal Year from Year One until the initial year of debt issuance, to fund the proposed renovation project.

5.6.2. If the City establishes the parameters of the proposed project by December 31, 2030, and thereafter issues P'5 Renovation Bonds, the P'5 Renovation Bonds may be secured in part or in whole by TLT Net Revenues and will be repaid over a period not to exceed twenty-one (21) years from the date of issuance of each respective series of VMC Renovation Bonds issued. The City will consider financing options that minimize the financial impact of debt service payments on TLT Net Revenues, including the use of full faith and credit bonds, subject to decision by the Portland City Council, in their sole discretion.

5.6.3. At least forty-five (45) calendar days prior to issuing P'5 Renovation Bonds, the City will submit the estimated bond debt service schedule to the Financial Review Team for review and verification as described in Task 3A of Attachment A. If the Financial Review Team verifies the debt service as described in Task 3A of Attachment A, the VFTA Administrator is authorized to disburse VFTA funds for the P'5 Renovation Bonds debt service payments. If the FRT indicates changes are needed, the City may resubmit a revised estimated bond debt service schedule.

5.6.4. Twice each year, no later than February 15<sup>th</sup> and September 15<sup>th</sup>, in all years before P'5 Renovation Bonds are issued, the City will provide an update to the Financial Review Team on the status of the intent to issue P'5 Renovation Bonds, including the expected timing of issuance and the estimated annual debt service schedule.

5.6.5. If Metro issues P'5 Renovation Bonds as described in Section 6.4, the City will not also issue P'5 Renovation Bonds.

5.7. So long as OCC Bonds and City Bonds are outstanding, the City will, at least twelve (12) months prior to the optional redemption date of the OCC Bonds or the City Bonds, consider refunding opportunities and will consider the advice of the Financial Review Team, as described in Task 3B of Attachment A.

5.8. The City will not take any action, or fail to take any action, that would cause any of the Bonds, either existing tax-exempt Bonds or new tax-exempt debt obligations contemplated in this Agreement, to lose federal tax-exempt status and be deemed federally taxable. The City will indemnify the Parties for any costs incurred by the Parties from City action, or failure to take action, that causes the tax-exempt OCC Bonds or new tax-exempt debt obligations contemplated in this Agreement, to lose federal tax-exempt status and be deemed federally taxable.

## 6. METRO OBLIGATIONS.

6.1. Metro has issued the OCC Hotel Project Bonds secured by the TLT Net Revenues. Metro issued the OCC Hotel Bonds conditioned on the TLT Net Revenues, the creation of the VFTA and the County's dedication of the tax collections from the TLT Net Revenues to the VFTA.

6.2. So long as OCC Hotel Project Bonds are outstanding, Metro will, at least twelve (12) months prior to the optional redemption date of the OCC Hotel Project Bonds, consider refunding opportunities and will consider the advice of the Financial Review Team, as described in Task 3B of Attachment A, on refunding the OCC Hotel Project Bonds.

6.3. Metro may issue P'5 Renovation Bonds consistent with the limitations described in Sections 5.6.1 and 5.6.2, except that the bonds or other debt obligations may be repaid over a period not to exceed thirty (30) years. If Metro is considering issuing P'5 Renovation Bonds, they will provide updates to the Financial Review Team as described in Sections 5.6.4. If Metro intends to issue P'5 Renovation Bonds, they will follow the procedure described in Section 5.6.3. If Metro issues P'5 Renovation Bonds, it will be no sooner than January 1, 2024, and they will follow the procedure described in Section 5.7. If the City issues P'5 Renovation Bonds as described in Section 5.6, Metro will not also issue P'5 Renovation Bonds.

6.4. Metro will not take any action, or fail to take any action, that would cause any of the Bonds, either existing tax-exempt Bonds or new tax-exempt debt obligations contemplated in this Agreement, to lose federal tax-exempt status and be deemed federally taxable. Metro will indemnify the Parties for any costs incurred by the Parties from Metro action, or failure to take action, that would cause any of the Bonds, either existing tax-exempt Bonds or new tax-exempt debt obligations contemplated in this Agreement, to lose federal tax-exempt status and be deemed federally taxable.

## 7. JOINT OBLIGATIONS OF CITY, COUNTY AND METRO

7.1. Reporting on use of VFTA funds. All entities receiving funds under Section 3.3.6 through 3.3.14 agree to the following reporting requirements and to provide to the VDFI Board and the Financial Review Team the following information:

7.1.1. No later than March 31<sup>st</sup> of each year, a detailed budget and work plan for each VFTA allocation expected in the next Fiscal Year including anticipated expenditures on specific line items or program categories and performance measures to assess outcomes.

7.1.2. No later than Sept 15<sup>th</sup> of each year, a summary financial statement for each VFTA allocation paid the prior Fiscal Year, including expenditures by specific line items or program categories, and a narrative describing the use of VFTA funds in the previous Fiscal Year, including a review of outcomes against stated performance measures.

7.2. Financial Review Team. The Parties and the VDFI, will establish and maintain a “Financial Review Team” (or “FRT”) charged with certain financial review responsibilities on an ongoing and as needed basis in order to actively monitor and manage VFTA resources, and to advise the VFTA Administrator, the VDFI Board and the Dispute Resolution Committee on actions needed for accountable and efficient application of those resources to meet the purposes of this Agreement.

7.2.1. The Financial Review Team will be composed of four (4) members defined as the City CFO, the County CFO, the Metro CFO, and the Travel Portland CFO, so long as Travel Portland provides administrative services to the VDFI, or their respective assigned designees. The members will provide the VFTA Administrator with their contact information and the VFTA Administrator will convene the Financial Review Team as needed to meet timelines specified in this Agreement and Attachment A, providing notice to the members at least ten (10) business days in advance of a meeting. Meetings may be held in person or by means of telephonic or electronic communications.

7.2.2. Attachment A to this Agreement specifies the tasks to be performed by the Financial Review Team including the intended action(s) to be taken, the timing and/or frequency for each task, and the deliverable(s) for each task. The level of authority delegated to the Financial Review Team is also specified for each task in Attachment A.

7.2.3. In making their recommendation(s), or in deciding whether to support a decision by the VDFI Board, the Financial Review Team will apply the criteria in Attachment A and consider the purposes of this Agreement.

7.2.3.1. In making their recommendation(s) on any Task in Attachment A, whether to the VFTA Administrator, the VDFI Board or the Dispute Resolution Committee, the Financial Review Team members do not have to reach consensus or vote on a single recommendation but may instead

make as many recommendations as are needed to fully describe the members' opinions or the range of options being recommended by the members.

7.2.3.2. If multiple Financial Review Team recommendations are made for any Task described in Attachment A, the Financial Review Team report will (i) include all recommendations and each recommendation will include a full description of the recommended action(s) and (ii) indicate which member(s) support each recommendation.

7.2.4. The role of the Financial Review Team is to provide financial analysis, advice and recommendations to the VFTA Administrator, the VDFI Board and the Dispute Resolution Committee. The Financial Review Team does not have the authority to change or amend any term or allocation of the Agreement. The Financial Review Team and its members individually may recommend amendments to this Agreement to the Parties, which amendments will only be implemented upon agreement, in writing, of the Parties.

7.2.5. As described in Task 1 of Attachment A, the Financial Review Team will perform periodic reviews of the VFTA cash flows and reserves and the VFTA Fund Forecast. At least once each year, no later than March 1<sup>st</sup>, the Financial Review Team will perform a prospective review of the VFTA, and at least once each year, no later than October 1<sup>st</sup>, the Financial Review Team will perform a retrospective review of the VFTA. The Financial Review Team reports of any and all reviews will be provided to the Parties and the VDFI Board Administrator.

7.2.6. If, as described in Task 1 of Attachment A, if one or more members of the Financial Review Team finds the VFTA resources are anticipated to be inadequate to meet the disbursement obligations and the priorities of the 2018 VFIGA during the next five (5) Fiscal Years and recommends that the VDFI Board modify allocations in 3.3.6 through 3.3.14 or take other action to address the anticipated shortfall, the VDFI Board will convene within twenty (20) business days of receipt of the Financial Review Team report or by March 15<sup>th</sup>, whichever comes first.

7.2.6.1. The VDFI Board will (i) consider the FRT recommendations, (ii) through a vote of its authorized membership, take action to adjust operational allocations to address the expected amount and timing of potential disbursement shortfalls and to minimize risk to the City and Metro that bond payments might not be made from the VFTA and (iii) direct the VFTA Administrator to reset the allocation(s) and disburse the adjusted amounts. So long as the anticipated shortfall is addressed through the VDFI Board decision, the VDFI Board may (i) reduce some or all allocations in Sections 3.3.6 through 3.3.14, (ii) apply pro rata reductions to some or all allocations in Sections 3.3.6 through 3.3.14, (iii) set specified one time amounts for some or all of the allocations in Sections 3.3.6 through 3.3.14, (iv) modify the priority order of the

allocations in Sections 3.3.6 through 3.3.14, (v) direct use of funds in the General Reserve, or (vi) develop other means to address the expected shortfall.

7.2.6.2. The decision of the VDFI Board in Section 7.2.6.1 will be completed and reported in writing by the VDFI Board Administrator to the VFTA Administrator and the Parties within five (5) business days of the VDFI Board meeting described in Section 7.2.6.

7.2.6.3. Within five (5) business days of receipt of the VDFI Board decision in Section 7.2.6.2, the Financial Review Team will review the decision and, if all members of the Financial Review Team concur in support of the decision by the VDFI Board, the VDFI Board decision is final. The Financial Review Team may not modify or change the VDFI Board decision. Within three (3) business days of the Financial Review Team decision, the VFTA Administrator will provide a report of the decision, prepared in writing and reviewed by the Financial Review Team members, to the Parties and the VDFI Board.

7.2.6.4. If one or more members of the Financial Review Team disagree with the decision of the VDFI Board, the matter is referred to dispute resolution in Section 8. The VFTA Administrator will initiate dispute resolution by providing notice, which must be given or delivered, as described in Section 10.2, to the Parties and the VDFI Board within five (5) business days of the Financial Review Team decision. The notice will include the VDFI Board report described in 7.2.6.2 and the Financial Review Team report described in 7.2.6.3.

7.2.7. If, as described in Task 1 of Attachment A, one or more members of the Financial Review Team finds the VFTA resources are anticipated to be inadequate to meet the disbursement obligations and the priorities of the 2018 VFIGA during the next five (5) Fiscal Years and recommends that the VDFI Board modify allocations in 3.3.6 through 3.3.14 or take other action to address the anticipated shortfall, and the VDFI Board does not take action within forty-five (45) calendar days of receipt of the Financial Review Team report, or June 1<sup>st</sup>, whichever comes first, or the VDFI Board decision is referred to dispute resolution and the Dispute Resolution Committee does not take action by June 1<sup>st</sup> to address the anticipated shortfall, the VFTA Administrator will take the actions described in Sections 7.2.7.1 through 7.2.7.3, as needed, to address the anticipated shortfall of VFTA funds.

7.2.7.1. The Additional L&S Support Amount in Sections 3.3.14.1 through 3.3.14.4, whichever is applicable, will not be disbursed.

7.2.7.2. If the action described in Section 7.2.7.1 is not adequate to address the anticipated VFTA funding shortfall, the VFTA Administrator will (i) reset all allocations in Sections 3.3.6 through 3.3.9 and Sections

3.3.11 through 3.3.13, not including the one-time allocation in Section 3.3.11.7, to the Year One amounts and (ii) reset the allocation in Section 3.3.10 to the FY 2019-20 amount.

7.2.7.3. If the actions described in Sections 7.2.7.1 and 7.2.7.2 are not adequate to address the anticipated VFTA funding shortfalls, the VFTA Administrator will make additional reductions to the reset allocations described in Section 7.2.7.2 as follow:

(a) the reset Base Amount will not be subject to further reductions except as described in (b), and all other reset allocations will be reduced pro rata until such reductions equal the anticipated shortfall;

(b) if, after applying the pro rata reductions described in (a) to the reset allocations, the net amount to be funded to any of those reset allocations is 75% or less of the unreduced amount of those allocations, then the pro rata reductions will instead be applied to all allocations in Sections 3.3.6 through 3.3.13, including the Base Amount, until such reductions equal the anticipated shortfall.

7.2.7.4. The VFTA Administrator's actions as described in Sections 7.2.7.1 through 7.2.7.3 as needed to address the anticipated shortfall of VFTA funds, will remain in effect until the VDFI Board or Dispute Resolution Committee takes action to address the anticipated shortfall of VFTA funds and directs the VFTA Administrator to adjust allocations in Section 3.3.6 through 3.3.13 and reinstate the allocation in Section 3.3.14.

7.2.8. Any action by the Financial Review Team, the VDFI Board or the Dispute Resolution Committee to modify the allocations of this Agreement, beyond those allowed in the 2018 Agreement will require amendment to this Agreement by the Parties as described in Section 9.8.

7.3. Visitor Development Strategic Plan. In early 2017, the Parties and the VDFI Board began working together to prepare a Visitor Development Strategic Plan ("Strategic Plan") to provide general direction for the future use of VFTA funds in support of tourism and the convention industry to maximize the economic benefits for the Portland metropolitan area. Based on that certain Letter of Agreement dated May 11, 2018, signed by the Parties, the Parties and the VDFI Board will work together to complete the Strategic Plan no later than October 31, 2019. Consideration of the Strategic Plan and its subsequent updates will be by the VDFI Board at their next regularly scheduled meetings. Once a Strategic Plan is developed and approved, the Parties and the VDF Board will use their best efforts to update the Strategic Plan at least every five (5) years for as long as this Agreement is in effect.

7.4. The Parties agree to convene to review this Agreement periodically. Beginning on July 1, 2023, any Party may request the Parties convene to consider amendments to this Agreement. If a request to consider amendments is made, the Parties will agree to

convene and, in a timely manner, will assign adequate staff resources, establish a schedule for negotiations and participate in the negotiations in good faith. The Parties further agree that if any term or provision of this Agreement or its application to any Party or circumstance is found to be to any extent invalid or unenforceable, as described in Section 9.11, the Parties will immediately convene to review this Agreement and consider if amendments are warranted.

7.5. The Parties will provide written notice to the VDFI Board sixty (60) calendar days in advance of amending this Agreement. The notice will include an explanation, with reasonable particularity, of the proposed amendment and, if available, a copy of the proposed amendment.

## 8. DISPUTE RESOLUTION

8.1. For specified Sections of this Agreement, the VFTA Administrator may initiate the following dispute resolution process.

8.1.1. The City Mayor, the County Chair and the Metro Council President, or their designees, will be the "Dispute Resolution Committee" (or "DRC").

8.1.2. The VDFI Board will be a party to and allowed to participate in the dispute resolution process, although it will not have a voting member on the Dispute Resolution Committee.

8.1.3. The VFTA Administrator will give written notice consistent with Section 10.2 to the Parties and the VDFI Board. The notice will identify the dispute for which the dispute process is initiated and include the reports specified in the applicable Sections.

8.1.4. The VFTA Administrator will be responsible for convening the Dispute Resolution Committee meeting, which may be held in person or by means of telephonic or electronic communications and will provide the written report of the Dispute Resolution Committee decision.

8.1.5. Within ten (10) business days of the notice, each party may submit a written statement to the VFTA Administrator stating the party's position on the dispute and the VFTA Administrator will provide the statements and all other relevant materials to the Dispute Resolution Committee and the VDFI Board Administrator at least ten (10) business days before the Dispute Resolution Committee meeting.

8.1.6. Within thirty (30) calendar days of the date the initiating notice was sent, the Dispute Resolution Committee will meet and decide on a resolution of the dispute. Decisions of the Dispute Resolution Committee will be by majority vote. The City, the County and Metro will be entitled to vote on the matter and will not be deemed conflicted out of the decision.

8.1.7. In making their decisions, the Dispute Resolution Committee will consider the purposes of this Agreement, the criteria applied by the Financial Review Team or the VDFI Board as described in the 2018 Agreement, and other information presented to them by the Parties or the Board.

8.1.8. The Dispute Resolution Committee has the same degree of latitude and range of options as described in the 2018 Agreement for the VDFI Board in allocating funds or making changes to specified allocations. If the VDFI Board decision in Section 7.2.6 is referred to dispute resolution and the Dispute Resolution Committee does not take action and provide a written decision by June 1<sup>st</sup>, the VFTA Administrator will take the actions described in Sections 7.2.7.1 through 7.2.7.3, as needed, to address the anticipated shortfall of VFTA funds.

8.1.9. The Dispute Resolution Committee's decision will be prepared by the VFTA Administrator, in writing, and reviewed by the Dispute Resolution Committee members prior to completion. The Dispute Resolution Committee's written decision will be provided to the Parties and the VDFI Board within ten (10) business days of the Dispute Resolution Committee meeting described in Section 8.1.6. Decisions of the Dispute Resolution Committee are final. However, the Dispute Resolution Committee has no authority to approve an amendment to this Agreement.

## 9. TERMINATION AND REMEDIES

9.1. The County's obligation to provide Net Revenues for the OCC Bonds will terminate when the OCC Bonds are fully paid or defeased and will end no later than June 1, 2030.

9.2. The County's obligation to provide TLT Net Revenues for the Stadium Bonds and OCC Hotel Project Bonds will terminate when the Stadium Bonds and OCC Hotel Project Bonds are fully paid or defeased and will end (i) no later than June 1, 2023, for the Stadium Bonds and (ii) no later than June 1, 2047, for the OCC Hotel Project Bonds. If the City or Metro does not issue VMC Renovation Bonds and/or P'5 Renovation Bonds, as described in Sections 5.5, 5.6 and 6.4, this Agreement will terminate when the Stadium Bonds and OCC Hotel Project Bonds are paid or defeased (the "Early Termination Date"), and the Agreement may be extended beyond the Early Termination Date by agreement of the Parties.

9.3. If the City or Metro issues VMC Renovation Bonds and/or P'5 Renovation Bonds consistent with Sections 5.5, 5.6 and 6.4, neither this Agreement nor the imposition of the VFTA TLT will terminate until all Bonds are paid or defeased (the "Termination Date"), and the Agreement may be extended beyond the Termination Date by agreement of the Parties.

9.4. Notwithstanding Sections 8.1, all taxes subject to this Agreement that are imposed but not collected by the County until the OCC Bonds are fully paid or defeased, or June 30, 2030, whichever comes first, will be Net Revenues. Notwithstanding Sections 8.2

and 8.3, after the OCC Bonds are fully paid or defeased, all taxes subject to this Agreement that are imposed but not collected by the County on the Early Termination Date or the Termination Date will be TLT Net Revenues.

9.5. Before the Early Termination Date or Termination Date, this Agreement may only be terminated by the agreement in writing of all Parties.

9.6. So long as any of the OCC Bonds are outstanding and this Agreement is in effect, the obligations of the County to (i) collect the Net Revenue taxes imposed by Multnomah County Code Chapter 11, or any successor Chapter pertaining to Revenue and Taxation, and (ii) maintain the Net Revenues and transfer them to the City to pay the OCC Bonds, as provided in this Agreement, may not be terminated for any reason, including a breach by any Party of its obligations under this Agreement or any amendment to this Agreement.

9.7. So long as the City Bonds and OCC Hotel Project Bonds are outstanding, and this Agreement is in effect, the obligations of the County to (i) collect the TLT Net Revenue taxes imposed by Multnomah County Code Chapter 11, or any successor Chapter pertaining to Revenue and Taxation, and (ii) maintain the TLT Net Revenues and transfer them to the City to pay the City Bonds and to Metro to pay the OCC Hotel Project Bonds, as provided in this Agreement, may not be terminated for any reason, including a breach by any Party of its obligations under this Agreement or any amendment to this Agreement.

9.8. When the OCC Bonds are fully paid or defeased, the County may terminate or modify the VFTA VRT Surcharge imposed by Multnomah County Code Chapter 11, or any successor Chapter pertaining to Revenue and Taxation. In the event the VFTA VRT Surcharge is terminated or modified as referenced in this Section 8.8, the Livability and Safety Support allocations, including both the Base Amount and the Additional L&S Support Amount, shall terminate as referenced in Sections 3.3.7.2 and 3.3.14.5.

9.9. Upon reaching the Early Termination Date or the Termination Date of this Agreement, the County may terminate or modify the VFTA TLT Surcharge imposed by Multnomah County Code Chapter 11, or any successor Chapter pertaining to Revenue and Taxation.

9.10. Disbursement of any funds remaining in the VFTA upon reaching the Early Termination Date or Termination Date of this Agreement will be determined by the Dispute Resolution Committee in their sole discretion.

## 10. GENERAL PROVISIONS

10.1. Maintenance of Records. All Parties will maintain records of payments made and funds received under this Agreement and such records are subject to audit and inspection by the other Parties.

10.2. Notice. A notice or communication under this Agreement by a Party to another Party will be sufficiently given or delivered if sent with all applicable postage or delivery

charges prepaid by: (a) personal delivery; (b) sending a confirmed email copy (either by automatic electronic confirmation or by affidavit of the sender) directed to the email address of the Party set forth below; (c) registered or certified U.S. mail, return receipt requested; or (d) delivery service or “overnight delivery” service that provides a written confirmation of delivery, each addressed to a Party as follows

If to the City:                   City of Portland  
Office of the Mayor  
1221 S.W. Fourth Avenue, Room 340  
Portland, Oregon 97204  
Email: Ted.Wheeler@portlandoregon.gov  
Phone No.: 503-823-4120

and

City of Portland  
OMF Bureau of Revenue and Financial Services  
1120 S.W. Fifth Avenue, Room 1204  
Portland, Oregon 97204  
Attn: Chief Financial Officer  
Email: jennifer.cooperman@portlandoregon.gov  
Phone No.: 503-823-6851

with copies to:

Spectator Facilities & Development Manager  
1120 S.W. Fifth Avenue, Room 1204  
Portland, Oregon 97204  
Attn: Spectator Venues Program Manager  
Email: SpectatorFacilities@portlandoregon.gov  
Phone No.: 503-823-6958

and

Office of the City Attorney  
City of Portland, Oregon  
1221 S.W. Fourth Avenue, 4th Floor  
Portland, Oregon 97204  
Attn: City Attorney  
Email: Tracy.Reeve@portlandoregon.gov  
Phone No.: 503-823-4047

If to the County:               Multnomah County  
Office of the County Chair  
501 N.E. Hawthorne Blvd., Suite 600  
Portland, Oregon 97214  
Email: mult.chair@multco.us  
Phone No.: 503-988-3308

and

Multnomah County  
Finance and Risk Management Division  
501 N.E. Hawthorne Blvd.  
Portland, Oregon 97214

Attn: Chief Financial Officer  
Email: mark.campbell@multco.us  
Phone No.: 503-988-6229

with copies to:

County Attorney  
501 N.E. Hawthorne Blvd.  
Portland, Oregon 97214  
Attn: Jenny Madkour  
Email: jenny.m.madkour@multco.us  
Phone No.: 503-988-3138

If to Metro:

Metro  
Office of the Council President  
600 N.E. Grand Avenue.  
Portland, Oregon 97232  
Email: tom.hughes@oregonmetro.gov  
Phone No.: 503-797-1700

and

Metro  
600 N.E. Grand Avenue.  
Portland, Oregon 97232  
Attn: Chief Operating Officer  
Email: Martha.Bennett@oregonmetro.gov  
Phone No.: 503-797-1700

with copies to:

Office of Metro Attorney  
Metro  
600 N.E. Grand Avenue  
Portland, Oregon 97232  
Attn: General Counsel  
Email: Nathan.Sykes@oregonmetro.gov  
Phone No.: 503-797-1544

Notice to the VDFI Board will be sent to:

Travel Portland  
100 SW Main Street, Suite 1100  
Portland, Oregon 97204  
Attention: President -CEO  
Email: grants@VisitorsDevelopmentFund.com  
Phone No.: 503-275-9797

Each Party may, by notice to the other Party, specify a different address or confirmation number for subsequent notice purposes. Notices may be sent by counsel for a Party. Notice will be deemed effective on the earlier of actual delivery or refusal of a Party to accept delivery, provided that notices delivered by email will not be deemed

effective unless simultaneously transmitted by another means allowed under this Section 10.2. For a notice to be effective, the copied persons must also be given notice.

10.3. Successors and Assigns. This Agreement will bind each Party, its successors, assigns and legal representatives. No Party, under any condition, may voluntarily assign or transfer its obligations to any third party. Any attempted assignment or transfer will be void.

10.4. Adherence to Law. The Parties will adhere to all applicable federal and state laws in all activities under this Agreement.

10.5. Waivers. No waiver made by a Party with respect to performance, or the manner or time of performance, of any obligation of another Party or any condition under this Agreement will be considered a waiver of any other rights of the Party making the waiver or a waiver by any other Party. No waiver by a Party of any provision of this Agreement will be of any force or effect unless in writing and no waiver will be construed to be a continuing waiver.

10.6. Time of the Essence. Time is of the essence of this Agreement.

10.7. Choice of Law and Forum. This Agreement will be construed in accordance with the laws of the State of Oregon and any action brought under this Agreement will be brought in Multnomah County, Oregon.

10.8. Amendment. This Agreement may only be amended by a writing signed by each of the Parties. No amendment to any provision of this Agreement may be implied from any course of performance, any acquiescence by any Party, any failure of any Party to object to another Party's performance or failure to perform, or any failure or delay by any Party to enforce its rights.

10.9. Headings. Any titles of the sections of this Agreement are inserted for convenience of reference only and will be disregarded in construing or interpreting its provisions.

10.10. Counterparts; Electronic Transaction. This Agreement may be executed in counterparts, each treated as an original, and the counterparts will constitute one document. The Parties agree that they may conduct this transaction, including any amendments or extension, by electronic means including the use of electronic signatures and facsimiles.

10.11. Severability. If any term or provision of this Agreement or its application to any Party or circumstance will to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to such Party or circumstance other than those as to which it is held invalid or unenforceable will not be affected, and each term or provision of this Agreement will be valid and enforceable to the fullest extent permitted by law.

10.12. Construction and Interpretation. To the extent consistent with the context, words in the singular will include the plural, words in the masculine gender will include the feminine gender and the neuter, and vice versa. All provisions of this Agreement have been negotiated at arm's length, and this Agreement will not be construed for or against any Party by reason of the authorship or alleged authorship of any provision of this Agreement.

10.13. Implementation. The Parties agree to take all actions and execute all documents necessary to effect the terms of this Agreement.

CITY OF PORTLAND

Approved as to form

\_\_\_\_\_  
Tracy Reeve  
City Attorney

\_\_\_\_\_  
Ted Wheeler                      Date  
City of Portland Mayor

MULTNOMAH COUNTY

Approved as to form

\_\_\_\_\_  
Jenny Madkour  
County Counsel

\_\_\_\_\_  
Deborah Kafoury                      Date  
Multnomah County Chair

METRO

Approved as to form

\_\_\_\_\_  
Nathan Sykes  
Acting Metro Attorney

\_\_\_\_\_  
Tom Hughes                      Date  
Metro Council President

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**VISITOR FACILITIES INTERGOVERNMENTAL AGREEMENT  
ATTACHMENT A  
Financial Review Team Tasks and Responsibilities**

The purpose of the Financial Review Team (FRT) is defined in Section 7.2. The composition of the FRT and its convening are described in Section 7.2.1. Decision making for the FRT is described in Section 7.2.3 and allows the FRT to provide multiple recommendations to the VFTA Administrator, VDFI Board and Dispute Resolution Committee (DRC). Reports, recommendations or advice described in the tasks below that are required to be in writing will be transmitted consistent with the notice provisions of Section 10.2 via email and another means allowed in Section 10.2. The FRT, or its members individually, may seek the advice from the City Economist, the County Economist and other financial professionals as they deem appropriate. All section references in this Attachment are to the 2018 VFIGA and defined terms in this Attachment, unless otherwise specified in this Attachment, have the same meaning as in the 2018 VFIGA.

**Task 1 – Periodic review of VFTA cash flow and reserves and VFTA Fund Forecast per Section 3.5 and Advise VFTA Administrator, VDFI Board or the Parties as needed**

*Timing/Frequency:* The FRT will meet: 1) at least annually, no later than March 1st; 2) within fifteen (15) business days of receipt of the second consecutive quarterly revenue report described in Section 4.3.4 showing negative year-over-year revenue growth; 3) when the VFTA Administrator or other FRT member believes an event with the potential for significant negative impact on the travel and tourism economic sector has occurred; and/or 4) when the GR ending balance exceeds the required RR balance. Nothing precludes the FRT from meeting more frequently and any FRT member may request a review under this Task. Reviews may also be requested by any Party or the VDFI Board.

*FRT Action:* As provided in Sections 7.2.5, and at the frequencies described above, the FRT will review VFTA cash flow and reserves and VFTA Fund Forecast to assess the sufficiency and capacity of the VFTA to fund all 2018 VFIGA obligations and priorities in Sections 3.3.1 through 3.3.14, including bond issuances anticipated in Section 3.3.5 and 3.3.6, and the reserves in Sections 3.3.15 and 3.3.16 during the next five (5) Fiscal Years.

Information to be reviewed in making this assessment will include but is not limited to:

- Historical and projected funding adequacy to meet actual and planned disbursements
- The calculation of amounts required to be maintained in the RR and the adequacy of the RR, SR and GR ending balances to support the VFTA
- The adequacy of VFTA funding capacity, as shown in the VFTA Fund Forecast, compared to actual and planned VFTA funding priorities per Sections 3.3.1 through 3.3.14, including information provided by the City and/or Metro regarding bond issuance as described in Sections 5.5.4 and 5.6.4
- Prepayment and/or refunding possibilities for Bonds and examination of which Bonds would yield the most value to the VFTA system if prepayment or refunding were implemented
- The VFTA Fund Forecast and factors affecting, or projected to affect, the local and national economy, particularly those that influence the VFTA system revenues

*FRT Deliverables:* Within ten (10) business days of meeting, the Financial Review Team will provide a summary report, prepared by the VFTA Administrator in writing and reviewed by the FRT members, describing whether or not the VFTA funds and reserves are anticipated to be adequate to fulfill the allocations in 3.3.1 through 3.3.14, including additional bond issuances anticipated in Section 3.3.5 and 3.3.6, and the reserve accounts in 3.3.15 through 3.3.17 and provide that report to the Parties and the VDFI Board.

If all members of the FRT concur that the VFTA resources are expected to be adequate to meet the disbursement obligations and the priorities in Sections 3.3.1 through 3.3.14, including additional bond issuances anticipated in Section 3.3.5 and 3.3.6, during the next five (5) Fiscal Years, no recommendations need to be included in the FRT report and the VFTA Administrator will disburse funds as described in the 2018 VFIGA.

If the FRT, or one or more members of the FRT, finds the VFTA resources are anticipated to be inadequate to meet the disbursement obligations and the priorities in Sections 3.3.1 through 3.3.14, including additional bond issuances anticipated in Section 3.3.5 and 3.3.6, during the next five (5) Fiscal Years, the FRT will document the expected amount and anticipated timing of potential disbursement shortfalls and will provide a report for consideration by the VDFI Board under Section 7.2.6 with actions to be taken that address the potential shortfalls. Options for action can include (i) reducing some or all allocations in Sections 3.3.6 through 3.3.14, not including the one-time allocation in Section 3.3.11.7, (ii) pro rata reductions to some or all allocations in Sections 3.3.6 through 3.3.14, not including the one-time allocation in Section 3.3.11.7, (iii) setting specified one time amounts for some or all of the allocations in Sections 3.3.6 through 3.3.14, (iv) modifying the priority order of the allocations in Sections 3.3.6 through 3.3.14, (v) using funds in the GR, or (vi) other means to address the expected shortfall that the FRT may recommend. If all members of the FRT concur on the recommendation(s) for VDFI Board action, the recommendation(s) will be considered by the VDFI Board under Section 7.2.6. If all members of the FRT do not concur on the recommendation(s) for VDFI Board action, the FRT report will include all recommendations and indicate which member(s) support each recommendation and will be provided to the VDFI Board for consideration under Section 7.2.6.

If a review under this Task was triggered by two consecutive quarters of negative year-over-year growth in VFTA revenues, the FRT will provide a report, prepared by the VFTA Administrator in writing and reviewed by the FRT members, to the VDFI Board summarizing the FRT's findings, including the economic forecast factors to be monitored and the triggers for a subsequent review, if any. If the FRT, or one or more members of the FRT recommends the VDFI Board consider an action under Section 7.2.6, the report may include a single FRT consensus recommendation or a plurality of recommendations, indicating which member(s) support each recommendation, and will be provided to the VDFI Board for consideration under Section 7.2.6.

The FRT may recommend to the VDFI Board that funds in the GR be used to redeem Bonds provided the FRT finds that VFTA resources are expected to be adequate to meet the disbursement obligations and the priorities in Sections 3.3.1 through 3.3.14 and the reserves in Section 3.3.15 and 3.3.16 during the next five (5) Fiscal Years.

The FRT may provide periodic reporting to other relevant VFTA participants as needed. The FRT, or its members individually, may provide advice to the City Mayor, the County Chair, the Metro Council President and the VDFI Board on desired and appropriate adjustments to the VFTA that may require amendment to the 2018 VFIGA.

## **Task 2 – Recommendations on the adequacy of VFTA funds for certain allocations**

### **Task 2A: Advise VDFI Board on requests for Additional OCC Operating Support per Sections 3.3.6.1. and 3.3.6.2.**

*Timing/Frequency:* If Metro intends to make a request for Additional OCC Support, no later than March 1<sup>st</sup> and at least five (5) business days prior to the VDFI Board meeting at which the request for Additional OCC Operating Support will be considered, as described in Sections 3.3.6.2.

*FRT Action:* Review VFTA cash flow and reserves and VFTA Fund Forecast and determine expected adequacy of VFTA funds to fulfill the allocations in 3.3.1 through 3.3.14, including bond issuances anticipated in Section 3.3.5 and 3.3.6, and the reserve accounts in 3.3.15 through

3.3.16. Provide advice to VDFI Board prior to their consideration of a request for Additional OCC Operating Support per Section 3.3.6.1 or approving such request per Section 3.3.6.2.

Information to be reviewed in making this determination shall include, but is not limited to:

- Historical and projected funding adequacy to meet actual and planned disbursements
- The calculation of amounts required to be maintained in the RR and the adequacy of the RR, SR and GR ending balances to support the VFTA
- The adequacy of VFTA funding capacity, as shown in the VFTA Fund Forecast, compared to actual and planned VFTA funding priorities per Sections 3.3.1 through 3.3.14, including information provided by the City and/or Metro regarding bond issuance as described in Sections 5.5.4 and 5.6.4
- The VFTA Fund Forecast and factors affecting, or projected to affect, the local and national economy, particularly those that influence the VFTA system revenues

*FRT Deliverable:* Within ten (10) business days of meeting, the Financial Review Team will provide a summary report, prepared by the VFTA Administrator in writing and reviewed by the FRT members, to the Parties and the VDFI Administrator (i) describing whether or not the VFTA funds and reserves are anticipated to be adequate to cover all obligations of the Agreement and (ii) advising the VDFI Board whether approval of the request for Additional OCC Operating Support will allow all other obligations of the 2018 VFIGA to be met. If all members of the FRT do not concur on the recommendation for VDFI Board action, the FRT report will include all recommendations and indicate which member(s) support each recommendation.

Task 2B: Advise VFTA Administrator or the VDFI Board on the adequacy of VFTA funds to pay the allocation increases described in Sections 3.3.7.4.1 and 3.3.11 through 3.3.13

*Timing/Frequency:* No later than March 1<sup>st</sup> prior to the beginning of each Fiscal Year identified in Section 3.3.7 and 3.3.11 through 3.3.13.

*FRT Action:* Review VFTA cash flow and reserves and VFTA Fund Forecast and determine expected adequacy of VFTA funds to fulfill the allocations in 3.3.1 through 3.3.14, including additional bond issuances anticipated in Sections 3.3.5 and 3.3.6, and the reserve accounts in Sections 3.3.15 through 3.3.17 if the allocation increases described in Sections 3.3.7 and 3.3.11 through 3.3.13 are implemented.

Information to be reviewed in making this determination will include, but is not limited to:

- Historical and projected funding adequacy to meet actual and planned disbursements
- The adequacy of the RR and SR to meet their stated purposes
- The calculation of amounts required to be maintained in the RR and the adequacy of the RR, SR and GR ending balances to support the VFTA
- The adequacy of VFTA funding capacity, as shown in the VFTA Fund Forecast, compared to actual and planned VFTA funding priorities per Sections 3.3.1 through 3.3.14, including information provided by the City and/or Metro regarding bond issuance as described in Sections 5.5 and 5.6
- The VFTA Fund Forecast and factors affecting, or projected to affect, the local and national economy, particularly those that influence the VFTA system revenues

*FRT Deliverables:* Within ten (10) business days of meeting, the Financial Review Team will provide a summary report, prepared by the VFTA Administrator in writing and reviewed by the FRT members, to the Parties and the VDFI Administrator describing whether or not the VFTA funds and reserves are anticipated to be adequate to fulfill the allocations in 3.3.1 through 3.3.14, including additional bond issuances anticipated in Section 3.3.5 and 3.3.6, and the reserve accounts in 3.3.15 through 3.3.17 if the allocation increases described in Sections 3.3.7 and 3.3.11

through 3.3.13 are implemented. If the FRT members concur in advising the VFTA Administrator that the VFTA capacity is adequate to cover the increase(s), the VFTA Administrator is authorized to disburse the increase(s). If one or more members of the FRT recommends that the increase(s) be reduced or delayed based on anticipated inadequacy of the VFTA funds or reserves, the matter will be referred to the VDFI Board under Section 7.2.6, and the FRT report will include all recommendations advising the VDFI Board whether (x) to approve increasing the specified allocation(s) in full, (y) to approve partially increasing the specified allocation(s) and the amount of the partial increase, or (z) to delay implementation of the specified allocation increase(s) and indicate which member(s) support each recommendation. Any allocation increase(s) that is referred to the VDFI Board will be reconsidered by the FRT the next Fiscal Year and can again be referred to the VDFI Board, both as described in this Task 2B.

Task 2C: Advise VDFI Board on 1) requests for use of SR funds under Section 3.3.16.4 and 2) restoration of SR fund level as described in 3.3.16.8.

*Timing/Frequency:* 1) Within ten (10) business days of receipt of a request from the VDFI Board for an allocation of funds from the SR. 2) Following approval of the use of funds from the SR and payment of such amount by the VFTA Administrator as described in Section 3.3.16.5. The specific timing of such review will be determined jointly by the VFTA Administrator and the VDFI Board Administrator but will be no later than the prospective annual review described in Task 1.

*FRT Action:* Review VFTA cash flow and reserves and VFTA Fund Forecast to 1) Advise the VDFI Board on the expected adequacy of VFTA funds to fulfill the allocations in 3.3.1 through 3.3.14 and the level of the RR as described in Section 3.3.15 if the request is approved, and 2) Advise the VDFI Board on restoration of the SR level to the amount specified in Section 3.3.16.

Information to be reviewed in making this determination shall include, but is not limited to:

- Historical and projected funding adequacy to meet actual and planned disbursements
- The calculation of amounts required to be maintained in the RR and the adequacy of the RR, SR and ending balance to support the VFTA
- The adequacy of VFTA funding capacity, as shown in the VFTA Fund Forecast, compared to actual and planned VFTA funding priorities per Sections 3.3.1 through 3.3.14, including information provided by the City and/or Metro regarding bond issuance as described in Sections 5.5.4 and 5.6
- The VFTA Fund Forecast and factors affecting, or projected to affect, the local and national economy, particularly those that influence the VFTA system revenues

*FRT Deliverables:* 1) Within five (5) business days of meeting, the Financial Review Team will provide a summary report, to the Parties and the VDFI Administrator prepared by the VFTA Administrator in writing and reviewed by the FRT members, advising the VDFI Board whether or not the VFTA funds and reserves are anticipated to be adequate to fulfill the allocations in 3.3.1 through 3.3.14 and the level of the RR, if the request is approved. The FRT may include a recommendation to the VDFI Board on the timing or trigger event needed to disburse funds from the SR. If all members of the FRT do not concur on the recommendation(s) for VDFI Board action, the FRT report, will include all recommendations and indicate which member(s) support each recommendation will be provided to the VDFI Board. 2) Within ten (10) business days of meeting, the Financial Review Team will provide a summary report, prepared by the VFTA Administrator in writing and reviewed by the FRT members, to the VDFI Board with a recommendation for restoration of the SR to Two Million Dollars (\$2,000,000), which may take place over more than one Fiscal Year and may include transferring funds from the GR. If all members of the FRT do not concur on the recommendation(s) for VDFI Board action, the FRT

report will include all recommendations and indicate which member(s) support each recommendation.

**Task 3– Review and Verify Bond Debt Service**

Task 3A: Verify VMC Renovation Bonds and P’5 Renovation Bonds debt service as described in Section 5.5, 5.6 and 6.4

*Timing/Frequency:* Once, within ten (10) business days of receipt of notice from the City or Metro, which is due at least forty-five (45) calendar days prior to bond issuance, as described in Sections 5.5, 5.6 and 6.4.

*FRT Action:* Review the bond or debt obligation debt service for VMC Renovation Bonds and P’5 Renovation Bonds and verify its consistency with the net proceeds calculation described in Sections 5.5.1 and 5.6.1 and the repayment period described in Sections 5.5.2, 5.6.2 or 6.4.

*FRT Deliverable:* Within ten (10) business days of meeting, the FRT will provide a summary report, prepared by the VFTA Administrator in writing and reviewed by the FRT members, to the Parties and the VDFI Administrator verifying the bond or debt obligation debt service is consistent with the application section(s) or describing changes that need to be made to conform the bond or debt obligation debt service to the applicable section(s).

Task 3B: Advise on bond refunding

*Timing/Frequency:* Within one hundred twenty (120) calendar days of the optional redemption date of bonds issued by the City or Metro.

*FRT Actions:* As described in Sections 5.7 and 6.3, review and analyze opportunities to refund Bonds. Factors to consider in this analysis include but are not limited to: the financial benefits for the VFTA and Parties of refunding and the expected adequacy of VFTA revenues. Information that will be reviewed in making this determination will include, but is not limited to:

- Prepayment and/or refunding possibilities for Bonds and examination of which Bonds would yield the most value to the VFTA system if prepayment or refunding were implemented

*Deliverables:* Advice and guidance to the City CFO or Metro CFO regarding potential or proposed bond refunding structure.