

**INTERGOVERNMENTAL AGREEMENT
FOR THE PROVISION OF
ADMINISTRATIVE AND DEVELOPMENT SERVICES**

INTERGOVERNMENTAL AGREEMENT entered into between the City of Salem, an Oregon municipal corporation (the City), and the Urban Renewal Agency of the City of Salem, Oregon, an Oregon quasi-municipal corporation (the Agency).

RECITALS:

(a) The Agency is public body, corporate and politic, duly activated by the City, exercising its powers to engage in urban renewal activity as authorized by ORS Chapter 457.

(b) The Agency has developed certain Urban Renewal Plans (the Plans), as defined by ORS 457.010(16), which have been approved by the City, pursuant to ORS 457.095, and has engaged in, and will be engaging in, redevelopment activities to carry out these plans.

(c) The City has experience in the provision of the administrative services for local governments and in planning and constructing public improvements, and desires, pursuant to ORS 457.320, to assist the Agency in the planning and carrying out of the Plans by providing all administrative and development services necessary and proper for carrying out the Agency's functions and the Plans.

(d) ORS 190.010 and ORS 457.320 authorize the City and the Agency, and the City and the Agency desire, to enter into an intergovernmental agreement whereby the City provides administrative and development services to the Agency.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

Section 1: Term and Termination. This agreement shall become effective upon the date of the last signature hereon, and shall continue in full force and effect until July 1, 2010, unless sooner terminated as provided herein. This agreement shall automatically be renewed for additional terms of five (5) years each unless one party gives notice, in writing, to the other party not less than thirty (30) days prior to the termination date of its intent not to renew this agreement; provided, however, that this agreement may be terminated at any time by either party by giving the other party not less than thirty (30) days notice, in writing, of that party's intent to terminate this agreement.

Section 2: Duties of the City. The City shall provide administrative and development services to the Agency to undertake urban renewal activity as set forth in adopted urban renewal plans, including, but not limited to: staff support for public meetings, including preparation of meeting

notices, agendas and minutes; budget preparation and oversight; contract procurement and administration; real estate procurement and management; legal services, engineering and project management services and planning related to project development. In so doing, the City shall provide such services in compliance with the laws of the State of Oregon, and in accordance with the Plans and this Agreement.

Section 3: Consideration. The Agency shall reimburse the City for all reasonable costs incurred by the City in providing administrative and development services pursuant to this Agreement. The City shall provide to the Agency, on an annual basis, a statement of expenditures made by the City in providing administrative and development services pursuant to this agreement. Personnel costs shall be determined according to the City's cost allocation plan, annual budget or such other documentation deemed acceptable to the Agency. Payment shall be made by the Agency at the time that services are rendered or when previously agreed upon.

Section 4: Indemnification. City agrees to hold the Agency harmless from all claims, suits, or actions of whatsoever which arise out of or result from the negligent or intentional acts of the City's officials, employees and agents providing the services pursuant to this agreement.

Section 5: Insurance. Each party shall maintain in force, at its own expense, worker's compensation insurance for all covered workers of that party in compliance with ORS 656.017, and general liability insurance in amounts not less than the amounts provided under the Oregon Tort Claims Act.

Section 6: Modification. This agreement may not be altered, modified, supplemented, or amended in any manner whatsoever except by mutual agreement of the parties in writing. Any such alteration, modification, supplementation, or amendment, if made, shall be effective only in the specific instance and for the specific purpose given, and shall be valid and binding only if signed by the parties.

Section 7: Waiver. No provision of this agreement may be waived except in writing by the party waiving compliance. No waiver of any provision of this agreement shall constitute waiver of any other provision, whether similar or not, nor shall any one waiver constitute a continuing waiver. Failure to enforce any provision of this agreement shall not operate as a waiver of such provision or of any other provision.

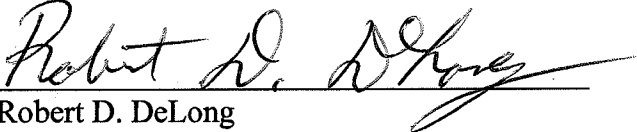
Section 8: Severability. The parties agree that if any term or provision of the agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain the particular term or provision held to be invalid.

Section 9: Entire Agreement. This agreement sets forth the entire understanding between the parties with respect to the subject matter of this agreement, and supersedes any and all prior


understandings and agreements, whether written or oral, between the parties with respect to such subject matter.

IN WITNESS WHEREOF, the execution of which having been first duly authorized according to law.

CITY OF SALEM




Robert D. DeLong
City Manager




Date

URBAN RENEWAL AGENCY OF THE
CITY OF SALEM, OREGON



Robert D. DeLong, City Manager
Agent for the Urban Renewal Agency of the
City of Salem, Oregon



Date

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AMENDATORY AGREEMENT NO. 1
to the
INTERGOVERNMENTAL AGREEMENT
between
The CITY OF SALEM, OREGON
("City")
and
The URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
("Agency")
FOR THE PROVISION OF
ADMINISTRATIVE AND DEVELOPMENT SERVICES

The parties hereby agree to amend their Intergovernmental Agreement as follows:

1. Add the words "and insurance" between the words "Personnel" and "costs" in the third sentence of **Section 3: Consideration**.
2. Delete **Section 4: Indemnification** in its entirety.
3. Delete **Section 5: Insurance** in its entirety and replace it with the following:

City shall provide workers compensation coverage for subject employees providing service under this agreement. The parties will maintain a self insurance fund administered by the City for tort liability and property damage. City may also obtain property insurance or other insurance for Agency or require Agency to obtain additional insurance.

4. Except as modified by this Amendatory Agreement, the terms and conditions of the Intergovernmental Agreement which this modifies remain in full force and effect.

IN WITNESS WHEREOF the parties have caused this Agreement to be signed in their respective names by their duly authorized representatives as of the dates set forth below:

CITY OF SALEM, OREGON

**URBAN RENEWAL AGENCY OF THE
CITY OF SALEM, OREGON**

By: Robert D. Whaley

By: Robert D. Whaley

Title: City Manager

Title: City Manager

Date: 10/9/03

Date: 10/9/03