

AGENDA ITEM FOR ADMINISTRATIVE MEETING () Discussion only
(X) Action

FROM (DEPT/ DIVISION): County Counsel

SUBJECT: UEC Agreement - Rural Economic Development Loan

<p>Background:</p> <p>The replacement of the Nolin Bridge on Mac Hoke Road was approved in April, 2022. A portion of the cost was paid by an OGOT grant. Umatilla Electric Cooperative applied for and was approved for a USDA Rural Business and Cooperative Development Service’s Rural Economic Development Loan for the bridge replacement. The loan does not accrue interest, has a ten year term, with annual payments of \$30,000. The loan and the UEC agreement are before the Board for approval.</p>	<p>Requested Action:</p> <p>Approve Rural Economic Development loan of \$300,000 from Umatilla Electric Cooperative, and authorize chair to sign loan documents</p>
---	---

ATTACHMENTS: Proposed Agreement

*****For Internal Use Only*****

Checkoffs:

- () Dept. Heard (copy)
- () Human Resources (copy)
- () Fiscal
- (X) Legal (copy)
- () (Other - List:)

To be notified of Meeting:
Tom Fellows, Robert Pahl

Needed at Meeting:

Scheduled for meeting on: July 19, 2023

Action taken:

Follow-up:

Date: June 29, 2023

Amount: \$300,000.00

RURAL ECONOMIC DEVELOPMENT LOAN AND SECURITY AGREEMENT

THIS RURAL ECONOMIC DEVELOPMENT LOAN AND SECURITY AGREEMENT (“Agreement”) dated as of the date written above between Umatilla County, Oregon (“Borrower”) and Umatilla Electric Cooperative, an Oregon cooperative corporation (“Cooperative”) sets forth the terms and understandings between Borrower and Cooperative regarding a loan (the “Loan”) that Cooperative is making to Borrower pursuant to the Rural Electrification Act of 1936 (7 U.S.C. § 901 et seq.) (the “Act”) and 7 C.F.R. Part 4280, Subpart A -- Rural Economic Development Loan and Grant Program (the “Regulations”).

Cooperative has filed an application, revolving loan fund plan, scope of work and other supporting documents (collectively, the “Application Materials”) with the United States of America acting through the Rural Business-Cooperative Service (the “Government”), pursuant to 7 C.F.R. § 4280.39, requesting a grant to establish a revolving loan fund to provide local financing for projects that foster economic development in rural areas. (A portion of the Application Materials is attached as Exhibit A).

The Government has agreed to make the grant to Cooperative to initially finance those projects more particularly described in the Letter of Conditions (the “Letter of Conditions”) between the Government and Cooperative dated January 5, 2023 (The Letter of Conditions is attached as Exhibit B).

Cooperative wishes to make a loan to Borrower for the purposes described in the Application Materials.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL AGREEMENTS HEREIN CONTAINED, COOPERATIVE AND BORROWER AGREE AS FOLLOWS:

1. **Loan Terms.**

A. Cooperative shall lend Three Hundred Thousand Dollars (\$300,000.00) to Borrower, and the proceeds of the Loan shall be used solely to finance the Mac Hoke Bridge Replacement project in Nolin, Oregon (the “Project”), as set forth in the Cooperative’s Application Materials. The proceeds of the Loan shall not be used to finance any costs or retire any indebtedness for the Project incurred prior to the Government’s receipt of the Application Materials on September 30, 2022.

B. Cooperative shall advance the proceeds of the Loan to the Borrower following the Loan closing upon submission of a request for reimbursement, which will be supported with appropriate documentation that project costs have been incurred and any other evidence or documentation that Cooperative or the Government considers necessary.

C. The Borrower shall repay the Loan in accordance with its promissory note in the form attached hereto as Exhibit C (the "Note") to be executed by the Borrower and made payable to Cooperative. The Borrower shall begin to repay the Loan on the date set forth in the Note and shall continue paying without interruption until all indebtedness associated with the Loan has been repaid in full on or before the tenth (10th) anniversary of the date of the first advance of funds under the Note.

D. While the Loan will not bear interest, indebtedness not paid when due will be subjected to late charges and other charges provided in the Note described below.

E. If the Borrower fails to satisfy any of the conditions, requirements, and terms prerequisite to the advance of the proceeds of the Loan as set forth in this Agreement before the first anniversary of the date of this Agreement, or such later date as Cooperative at its discretion may approve in writing in furtherance of the purposes of the Act, the Loan commitment shall be considered rescinded.

F. Borrower shall pay upon demand all expenses incurred by Cooperative in connection with the preparation of the Loan documents and the making of the Loan including, without limitation, expenses of Cooperative's legal counsel.

G. Borrower shall pay upon demand all out-of-pocket expenses incurred by Cooperative in connection with servicing the Loan made to Borrower including the cost of required fidelity bond coverage. Such charges over the life of the Loan shall not exceed an amount equal to the sum of one (1%) percent per year of the outstanding Loan principal on the first day of each year.

H. If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the Bankruptcy laws of the United States) is instituted in connection with any controversy arising out of this Agreement or the Note, or to interpret or enforce their terms and provisions, the prevailing party shall be entitled to recovery of attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court at trial or on any appeal or review, in addition to all other amounts provided by law.

2. Affirmative Covenants.

A. Borrower shall execute and deliver the Note to Cooperative in order to evidence its obligation to repay the Loan by the terms of this Agreement, the Letter of Conditions, and the Note. Borrower shall pay all indebtedness evidenced by the Note in the manner and at the times described therein.

B. Borrower shall promptly use the proceeds of the Loan only in the manner and exclusively for the Project and in accordance with the Letter of Conditions, this Agreement, the Act, and the Regulations (as they may be amended from time to time). No changes may be made in the foregoing without the prior written approval of Cooperative and the Government. Until disbursed by the Borrower for the Project, the Borrower shall deposit the Loan Proceeds in a separate bank account(s) that is or are fully insured by the Federal Deposit Insurance Corporation.

C. Borrower shall return to Cooperative as a prepayment on the Note all proceeds of the Loan, including any interest earned on the proceeds of the Loan, which have not been expended by Borrower for the Project before the second anniversary of the date of the advance of the proceeds of the Loan from Cooperative to Borrower, or such later date as Cooperative at its discretion may approve in writing.

D. Borrower shall make all payments on the Note by using a reasonable method of payment specified by Cooperative.

E. Borrower agrees to provide to Cooperative (i) an itemized list with attached invoices, receipts, bills of sale, and other evidence that shows the expenditures made on the Project for the Project using the proceeds of the Loan, and (ii) a signed certification from an authorized official of Borrower that includes a statement substantially identical to the following: "I certify that the proceeds of the Rural Economic Development Loan from Cooperative were expended on the Project as shown on this list and the attached invoices, receipts, bills of sale, and other evidence represent the items shown on this list." Such invoices, receipts, bills of sale, and other evidence must at least total the amount of funds that have been provided to Borrower using the proceeds of the Loan. The certified list must be provided upon completion of the Project, or by the first anniversary of the date of the advance of funds to Borrower, whichever occurs first. If all funds have not been expended by the first anniversary, Borrower must provide to Cooperative a certified list of current expenditures and a statement of its intended expenditure schedule. Upon completion of the Project, Borrower must provide to Cooperative a final certified list of the expenditures, including the attachments.

F. Borrower shall permit Cooperative officials and Government officials to inspect and copy its records about the Project during regular business hours. Representatives of Cooperative and the Government may inspect the Project itself during regular business hours.

G. Borrower shall comply with the Act and the Regulations, as they may be amended from time to time, including, without limitation, any federal regulations or federal statutes which the Act or the Regulations identify as being applicable to activities contemplated by the Application Materials or this Agreement.

H. So long as the Borrower remains obligated to Cooperative under the terms of any financial assistance previously or subsequently extended under the Act, Borrower shall fully perform all obligations to Cooperative which Borrower has undertaken concerning such assistance.

I. The Borrower shall complete the certification form, Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions, attached hereto as Exhibit D. In addition, Borrower shall ensure that the certification form is completed by all applicable parties in conjunction with any lower-tier transactions involving the Project.

3. **Security Agreement.**

A. As security for the payment of the indebtedness evidenced by the Note (and any renewals or extensions thereof), Borrower hereby grants Cooperative a security interest in collateral consisting of the following equipment, together with proceeds thereof (the "Collateral"):

All furniture, fixtures, and equipment now or hereafter owned by Borrower; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all issues and profits thereon and proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of such property.

B. Borrower agrees to keep the Collateral in good repair and running condition, reasonable wear and tear excepted, and to replace at its own expense any worn, broken, or defective parts.

C. Borrower agrees to keep the Collateral insured against loss by fire or theft for an amount not less than its market value by means of a policy of insurance that names the Cooperative as an additional insured. A certificate evidencing such insurance shall be provided to the Cooperative. The policy shall contain a provision prohibiting cancellation or modification unless Cooperative is given at least thirty days' prior written notice.

D. Borrower agrees that the Collateral shall remain personal property and shall not become part of real property.

E. Borrower hereby authorizes Cooperative to prepare and file financing statements or other documents and to perform all other acts necessary to perfect security interests in the Collateral. Borrower agrees to take such further action as required by Cooperative for the purposes of perfecting and maintaining such security interests.

4. **Negative Covenant.**

Borrower shall not enter into or request Cooperative to approve any agreements which would permit third parties to fund, develop, manage, own, lease or operate the Project in a manner that would violate the Act, the Regulations, or this Agreement if the Borrower were to undertake such activity in its own name.

5. **Representations and Warranties.**

The Borrower represents and warrants that on and as of the date first set forth above:

A. The Borrower has been duly organized and is validly existing as a county in good standing under the laws of the State of Oregon, with the power and authority to perform its obligations under this Agreement, the Note, the Act, and the Regulations.

B. This Agreement and the Note have been duly authorized, executed, and delivered by the Borrower and such documents constitute the legal and binding agreements of the Borrower, enforceable against the Borrower in accordance with their respective terms, subject to (i) applicable laws of general application relating to or affecting creditors' rights generally and (ii) the application of general principles of equity regardless of whether such enforceability is considered in a proceeding in equity or at law.

C. The execution or the delivery by the Borrower of this Agreement and the Note; the consummation of the transactions contemplated herein or therein; and the fulfillment by the Borrower of the terms hereof or thereof, do not conflict with or violate, result in a breach of or constitute a default under any term or provision of the organizational documents of the Borrower or any law or regulation or any order now applicable to the Borrower of any court, regulatory body having jurisdiction over the Borrower, or the terms of any indenture, deed of trust, mortgage, note, note agreement, or instrument to which the Borrower or any of its properties is bound. The Borrower has not received any notice from any other party to any of the foregoing that a default has occurred or that any event or condition exists that, with the giving of notice or lapse of time or both, would constitute such a default.

D. No approval, authorization, consent, order, registration, filing, qualification, license, or permit of or with any state or federal court or governmental agency or body having jurisdiction over the Borrower is required by the Borrower for the consummation by the Borrower of the transactions contemplated by this Agreement or the Note, except such as have been obtained.

E. There is no pending or threatened action, suit, or proceeding before any court or governmental agency, authority, or body, or any arbitrator, concerning the Borrower, this Agreement, or the Note which, if adversely determined, would have a material adverse effect on the Borrower's ability to perform its obligations under this Agreement or the Note.

F. All information, reports, and other papers and data furnished to Cooperative by the Borrower concerning the application of the Borrower for the Loan were, at the time the same were so furnished, complete and correct in all material respects to the extent necessary to give Cooperative a true and accurate knowledge of the subject matter, and no document furnished or other written statement made to Cooperative in connection with the Loan contains any untrue statement of a fact material to the financial condition of the Borrower or the Project or omits to state such a material fact necessary in order to make the statements contained therein not misleading.

G. The Borrower has reviewed the Act and the Regulations and understands and accepts the requirements which the Act and the Regulations impose upon it.

H. The Borrower does not expect or intend the Project to result primarily in the transfer of any existing employment or business activity from one area to another.

6. **Default.**

A. Upon the occurrence of an event of default as defined in this Agreement, the holder of the Note may declare all or any portion of the indebtedness arising under this Agreement, including indebtedness evidenced by the Note, to be immediately due and payable and may proceed to enforce its rights under this Agreement and the Note.

B. As used in this Agreement, the term "event of default" shall mean the occurrence of any of the following:

- (1) Any principal installment is not paid within ten (10) days of the date on which it is required to be made, whether by acceleration or not;

- (2) Failure, inability, or unwillingness of the Borrower to carry out or comply with, or cause to be carried out or complied with, the specific undertakings described in the Application Materials;
- (3) Any representation or warranty made by the Borrower herein, in the Application Materials, or in any certificate or report furnished by or on behalf of the Borrower about any of the foregoing is found to be false, incomplete, or incorrect in any material respect;
- (4) Borrower fails to perform or satisfy of any of its covenants, conditions or agreements, and such non-performance shall continue for thirty (30) days after written notice specifying such non-performance and requiring the same to be remedied shall have been given to the Borrower by the holder of the Note;
- (5) An event of default shall have occurred and be continuing under any mortgage or security agreement of the Borrower which secures any form of financial assistance heretofore or hereafter furnished to the Borrower by Cooperative;
- (6) Commencement of a case in bankruptcy by or against the Borrower;
- (7) Application for appointment of a receiver for, making a general assignment for the benefit of creditors by, or insolvency of the Borrower; or
- (8) Violation of the Act or the Regulations in any material respect, by trustees or other officials, employees, or agents of the Borrower, and such violation shall continue for a period of thirty (30) days without being rectified to the satisfaction of Cooperative after written notice specifying such violation.

7. **Miscellaneous.**

A. Every right or remedy herein conferred upon or reserved to the holder of the Note shall be cumulative and shall be in addition to every other right and remedy now or hereafter existing at law or in equity, or by statute or regulation.

B. The invalidity of any one or more phrases, clauses, sentences, paragraphs or provisions of this Agreement shall not affect the remaining portions hereof.

C. This Agreement is entered into between the parties concerning a zero-interest loan which Cooperative is making to the Borrower to promote rural economic development and job creation projects. Accordingly, so long as Cooperative shall, under the terms of this Agreement, be the holder of the Note, this Agreement and the Note shall each be governed by and construed in accordance with the laws of the United States, including the Act and the Regulations.

D. Borrower shall provide sufficient financial, accounting, and budget information and other records deemed necessary to facilitate audits in accordance with 2 CFR Part 200 and 2 CFR Part 400, and Government regulations applicable to rural economic development loan reviews.

E. The Cooperative's obligation to disburse loan funds to Borrower is specifically conditioned upon Borrower completing all its obligations specified in the Regulations and in the Letter of Conditions, including but not limited to Borrower's obligation to deliver to Cooperative an opinion of counsel for the Borrower, in a form of a typical opinion letter given to a lender in the State of Oregon in commercial loan transactions, opining as to the legal ability of the Borrower to incur debt and perform its obligations under this Agreement.

G. Furthermore, the Cooperative shall be under no obligation to disburse Loan funds until it has received grant funds from the Government as provided in the Letter of Conditions.

IN WITNESS WHEREOF, Umatilla County, Oregon, as Borrower, has caused this Agreement to be signed in its name and attested by its duly authorized official's thereunto, and Cooperative, has caused this Agreement to be duly executed in its behalf, all as of the day and year first written above.

Umatilla County, Oregon

Title:

ATTEST:

Title:

Umatilla Electric Cooperative



Bryan Wolfe, President

Mac Hoke Bridge Replacement



USDA REDG Cover Letter & Application Summary



UMATILLA ELECTRIC COOPERATIVE, INC
COVER LETTER
RURAL ECONOMIC DEVELOPMENT GRANT
MAC HOKE BRIDGE REPLACEMENT

September 30, 2022

USDA Rural Development
ATTN: Kris Pedro
1SW Nye Avenue, Suite 100
Pendleton OR 97801

RE: Rural Economic Development Grant Application

Dear Ms. Pedro:

Enclosed is an application for Federal Assistance, requesting a grant in the amount of \$300,000 from the USDA Rural Business and Cooperative Development Service's Rural Economic Development Loan and Grant (REDLG) Program.

Umatilla Electric Cooperative will utilize its existing revolving loan fund upon approval of this application, and the grant funds would be loaned to Umatilla County to help finance the design, permitting, and engineering for the replacement of the Mac Hoke Bridge. Attached please find the SF424 application and a complete project description.

If you have any questions or concerns during the review and approval of this application, or need any further information, please contact me at (541) 567-6414 or robert.echenrode@umatillaelectric.com.

Sincerely,

Robert Echenrode
General Manager/CEO



APPLICATION SUMMARY

PROJECT: \$300,000 GRANT

DATE FILED: September 30, 2022

APPLICANT INFORMATION: Umatilla Electric Cooperative
750 W. Elm Ave
Hermiston OR, 97838

RUS IDENTIFIER (Applicant #) 38014

CONTACT PERSON: Robert Echenrode, General Manager & CEO
(541) 567-6414
robert.echenrode@umatillaelectric.com

ULTIMATE RECIPIENT: Umatilla County
216 SE 4th Street
Pendleton, OR 97801

CONTACT PERSON(S): Dan Dorran
County Commissioner
(541) 278-6201
dan.dorran@umatillacounty.gov

Robert Pahl
County Chief Financial Officer
541.278.6209
robert.pahl@umatillacounty.gov

Tom Fellows
Director of Public Works
541.278.3744
tom.fellows@umatillacounty.gov

DESIGN:	\$103,587.00
ENGINEERING:	\$150,000.00
PERMITTING:	\$122,000.00
TOTAL PROJECT COST:	\$375,587.00
RURAL DEVELOPMENT FUNDS:	\$300,000.00
BORROWER FUNDS:	\$75,587.00

**RURAL ECONOMIC DEVELOPMENT GRANT
LETTER OF CONDITIONS**

Date: January 5, 2023

Robert Echenrode
Umatilla Electric Cooperative, Inc.
750 W. Elm Street
Hermiston, OR 97838

Dear Mr. Echenrode

We are pleased to announce that the application of the Umatilla Electric Cooperative, Inc. (the Grantee) for a grant in the amount of \$300,000.00 (Grant) to make an initial loan to Umatilla County (Ultimate Recipient) and to establish a revolving loan fund (Revolving Loan Fund) in accordance with the Grantee's Revolving Loan Fund Plan approved April 17, 2013, as approved by Rural Development (Plan) has received approval of Rural Development, subject to the following terms and conditions:

A. The Grantee provides:

1. evidence that it has created a Revolving Loan Fund Account (Account) and has deposited the approved \$60,000 contribution amount in the Account.
2. a resolution of its Board of Directors adopting the Plan approved by Rural Development.
3. satisfactory evidence that it has obtained fidelity bond coverage on all of its officers, employees or agents that are authorized to receive or disburse funds from the Revolving Loan Fund, in the total amount of the Grant, or the Revolving Loan Fund, whichever is greater.
4. duplicate original sets of duly authorized and executed copies of this Letter of Conditions.
5. duplicate original sets of duly authorized and executed copies of the Rural Economic Development Grant Agreement (Grant Agreement.)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0035. The time required to complete this information collection is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

6. a legal opinion from its counsel stating that the Grantee possesses the necessary legal authority to execute the Letter of Conditions and the Grant Agreement and to execute the Plan.
7. evidence of satisfactory written procedures to:
 - (i) minimize the time elapsing between receipt of funds from Rural Development and disbursement of funds to the Ultimate Recipient,
 - (ii) ensure funds control and accountability in accordance with 7 CFR parts 3015 and 3019 as applicable,
 - (iii) limit cash advances from Rural Development to the minimum amounts needed for the actual, immediate cash required for carrying out the project.

And,

B. Rural Development approves

1. the Grantee's loan agreement, promissory note(s), and security agreement which will be entered into with the Ultimate Recipient.
2. a legal opinion provided by counsel for the Ultimate Recipient, regarding the legal ability of the Ultimate Recipient to incur debt and perform its obligations under the loan agreement.
3. satisfactory evidence that the following other terms and conditions have been met:
 - (i) Completion and execution of documents and forms required in the Rural Economic Development Grant Agreement.

The enclosed certification form entitled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions" must be referenced in, and included as an exhibit to, the loan agreement that you execute with the Ultimate Recipient. The Ultimate Recipient in-turn, must require these certifications in any lower tier covered transactions. Please note this certification is for the signature of the Ultimate Recipient.

Please evidence acceptance of the terms and conditions of this Letter of Conditions by executing and dating the enclosed duplicate original in the space provided and returning it to Rural Development within 30 days from the date of this Letter of Conditions. The Grantee must comply with the conditions set forth in this Letter of Conditions within 120 days from the date of its acceptance. Unless extended, if the Grantee has not complied with these stipulations, the Grant commitment will be automatically rescinded.

Sincerely,

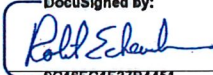
MANDIE
COLE

Digitally signed by
MANDIE COLE
Date: 2023.01.20 10:05:24
-08'00'

Mandie Cole, B & CP Director

Accepted and Agreed to:

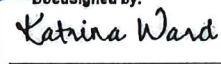
Umatilla Electric Cooperative, Inc.
Intermediary

by: 
9C18EC3E37B4451...
General Manager

4/10/23

Date

(SEAL) Attested to for the Grantee:

by: 
522E70F8A81740F...
Assistant **Secretary**

Enclosures:

- Duplicate Original Letter of Conditions
- Rural Economic Development Grant Agreement
- Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions
- Form of Legal Opinion
- Standard Form 270

PROMISSORY NOTE

\$300,000.00

Date: June 29, 2023

FOR VALUE RECEIVED, Umatilla County, Oregon, (“Maker”), promises to pay to the order of Umatilla Electric Cooperative, an Oregon cooperative corporation (“Cooperative”), at the times and in the manner hereinafter provided, the sum of Three Hundred Thousand Dollars (\$300,000.00), without interest in annual installments of Thirty Thousand Dollars (\$30,000.00) on the anniversary of the date of the first advance of funds made hereunder, and continuing on the same day of each year thereafter until the principal sum stated above has been paid in full on or before the final maturity date of this Note which shall be on the tenth (10th) anniversary of the date of the first advance of funds hereunder. Maker shall have the right to prepay the obligation set forth in this Note in whole or in part at any time without penalty; provided, however, that in the event of a partial prepayment, the Maker shall be obligated to continue making regular and uninterrupted annual payments for the amount and on the annual payment date specified in this Note so long as any portion of the loan remains unpaid.

Demand, presentment, protest, notice of protest, and notice of dishonor are hereby waived.

In the event of nonpayment when due of any payment due under this Note or if any event of default occurs under the Rural Economic Development Loan and Security Agreement described below, and such nonpayment or event of default continues for a period of thirty (30) days, then at the option of the holder of this Note, all of the amount then owing under this Note shall immediately become due and payable. The failure to assert this right shall not be deemed a waiver.

So long as this Note shall be held by Cooperative, the Maker shall pay a late charge on any payment not made within ten (10) days of the date it becomes due as originally scheduled or otherwise. The late charge shall be computed on the payment from the due date at a rate equal to the rate of the current value of funds to the United States Treasury as prescribed and published by the Secretary of the Treasury in the Federal Register and the Treasury Fiscal Requirements Manual Bulletins annually or quarterly, as the case may be, in accordance with 31 U.S.C. § 3717. In addition, Maker shall pay Cooperative administrative costs and penalty charges as Cooperative may now or hereafter prescribe. If this Note is transferred by Cooperative, whether for collection or otherwise, any payment not paid in ten (10) days of the date it becomes due, as originally scheduled or otherwise, shall thereafter be subject to a late charge computed from the due date at a rate equal to the judgment rate prescribed by the State of Oregon. In such event, the Maker shall also pay the Transferee for all reasonable costs and expenses of collection.

In addition, Maker shall pay Cooperative all out-of-pocket expenses incurred by Cooperative in connection with servicing the Loan evidenced by this Note including the cost of required fidelity bond coverage. Such charges over the life of the Loan shall not exceed an amount equal to the sum of one (1%) percent per year of the outstanding Loan principal on the first day of each year.

Amounts received on account of indebtedness evidenced by this Note shall be applied as follows: first to expenses, costs and penalties; second to late charges; third to principal payments which are past due; and fourth to principal installments not yet due.

This Note is given in accordance with, and is required by, the terms and conditions of a certain Rural Economic Development Loan and Security Agreement between the parties dated as of June 29, 2023, and evidences indebtedness created by a loan made for the purpose of promoting rural economic development. Accordingly, so long as this Note is held by Cooperative, it shall be governed by and construed in accordance with the laws and regulations of the United States.

If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the Bankruptcy laws of the United States) is instituted in connection with any controversy arising out of this Note, or to interpret or enforce its terms and provisions, the prevailing party shall be entitled to recovery of attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court at trial or on any appeal or review, in addition to all other amounts provided by law.

IN WITNESS WHEREOF, the Maker has caused this Note to be executed in its corporate name and its corporate seal to be affixed and attested by its duly authorized officers, all as of the date written above.

Umatilla County, Oregon

Title:

ATTEST:

Title:



Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions

The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. § 552a, as amended). This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, and 2 CFR §§ 180.300, 180.335, Participants' responsibilities. The regulations were amended and published on August 31, 2005, in 70 Fed. Reg. 51865-51880. Copies of the regulations may be obtained by contacting the Department of Agriculture agency offering the proposed covered transaction.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0505-0027. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The provisions of appropriate criminal or civil fraud, privacy, and other statutes may be applicable to the information provided.

(Read instructions on page two before completing certification.)

- A. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency;
- B. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

ORGANIZATION NAME	PR/AWARD NUMBER OR PROJECT NAME
NAME(S) AND TITLE(S) OF AUTHORIZED REPRESENTATIVE(S)	
SIGNATURE	DATE

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.

Instructions for Certification

- (1) By signing and submitting this form, the prospective lower tier participant is providing the certification set out on page 1 in accordance with these instructions.
- (2) The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.
- (3) The prospective lower tier participant must provide immediate written notice to the person(s) to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- (4) The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549, at 2 CFR Parts 180 and 417. You may contact the Department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
- (5) The prospective lower tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it may not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Department or agency with which this transaction originated.
- (6) The prospective lower tier participant further agrees by submitting this form that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- (7) A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the General Services Administration's System for Award Management Exclusions database.
- (8) Nothing contained in the foregoing shall be construed to require establishment of a system of records to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- (9) Except for transactions authorized under paragraph (5) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the Department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.