

**Grant No. OR212018**

**GRANT AGREEMENT**

This Grant Agreement (“**Grant Agreement**”), dated as of January 2, 2018 (the “**Effective Date**”), is entered into by and between Oregon21, LLC, an Oregon limited liability company and wholly-owned subsidiary of TrackTown USA Inc. an Oregon non-profit corporation (“**Recipient**”), and the **STATE OF OREGON**, acting by and through the **OREGON TOURISM COMMISSION** (“**Grantor**” or “**OTC**”).

**RECITALS**

**A.** In response to Grantor Request for Grant Applications dated November 13, 2017, Recipient submitted an application for a grant to assist Recipient in implementing the sporting event project described in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Project**”)

**B.** Grantor selected Recipient’s Project for grant funding, and is providing the Grant as an initial part of the estimated funding necessary to complete the Project. Grantee anticipates receiving other funding from private and public sources, as well as “in-kind” contributions, to complete the Project (the “**Other Financing**”).

**C.** Grantor and Recipient now desire to enter into this Grant Agreement to specify the amount and terms and conditions of Grantor’s grant funding to Recipient for the Project.

**NOW THEREFORE**, the parties agree as follows:

**AGREEMENT**

**ARTICLE 1  
GRANT GENERALLY**

Section 1.1 **Grant Amount.** On the terms and conditions of this Grant Agreement, Grantor agrees to make a grant to Recipient in an amount not to exceed TEN MILLION DOLLARS (\$10,000,000.) (the “**Grant**”) to assist Recipient in implementing the Project. Recipient may use the Grant proceeds only for costs necessarily incurred after December 4, 2017 and on or before August 31, 2021 (the “**Project Completion Deadline**”), to implement the Project and within the line item limits of the Sources and Uses of Funding Budget set forth in **Exhibit B** (the “**Budget**”), attached hereto and incorporated herein by this reference (“**Eligible Costs**”); provided, however, that Recipient may transfer funds from one Budget line item to another as long as: (i) the total Grant Expenditures does not exceed the Grant amount, (ii) Grantee submits an updated Sources and Uses of Grant Funding

Budget (set forth in Exhibit B) setting forth the transferred amounts and (iii) Grantee submits documentation satisfactory to Grantor evidencing the expenditure of Grant funds on Eligible Costs.

**Section 1.2 Disbursement of Grant Proceeds.** The proceeds of the Grant shall be separately accounted for by Grantee on its books and records of accounts for the Project and shall be disbursed as described in this Section 1.2.

**1.2.1 Disbursement.** Subject to the conditions set forth in Section 1.2.2, Grantor will disburse the Grant proceeds to Recipient for Eligible Costs in up to four annual installments not to exceed TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) each, beginning with the first installment disbursed within forty-five (45) days of the execution of this Agreement, the second installment on or before February 28, 2019 and subsequent installments on or before February 28 of each calendar year. Recipient's submission of a request for disbursement shall constitute Recipient's affirmation that all of Recipient's representations and warranties set forth in Article 2 are true and correct in all material respects as if made on and as of the date of the disbursement request.

**1.2.2 Conditions to Disbursement.** Each disbursement of Grant proceeds is subject to the following conditions:

(a) Grantor has received a disbursement request from Recipient, in form and substance satisfactory to Grantor, that identifies the Eligible Costs for which Recipient is seeking reimbursement by category and amount so that Grantor may compare Recipient's expenditures against the Budget set forth in Exhibit B (including an explanation for any transfer of Budget items from one line to another); if requested by Grantor, Recipient shall provide supporting documentation satisfactory to Grantor evidencing such Eligible Costs;

(b) Recipient is in compliance with the reporting requirements set forth in Exhibit A and Grantor has reviewed the most recently submitted of such reports and determined that there is no indication that the Project will not be completed as described in Exhibit A by the Project Completion Deadline.

(c) No Event of Default shall have occurred and be continuing and no event shall have occurred that, with the giving of notice or passage of time or both, would become an Event of Default;

(d) Except for any changes disclosed in Recipient's most recently submitted report, each of Recipient's representations and warranties set forth in Article 2 shall be true and correct in all material respects as if made on and as of the date of such disbursement; and

(e) Grantor has received sufficient funding, appropriations and other expenditure authorizations to allow Grantor, in the reasonable exercise of its administrative discretion, to make the disbursement and there are sufficient moneys in the accounts or funds to be used to cover the disbursement, as determined by Grantor in the reasonable exercise of its administrative discretion, to permit Grantor to make the disbursement.

**ARTICLE 2**  
**RECIPIENT'S REPRESENTATIONS AND WARRANTIES**

Except as described in **Exhibit D**, Recipient represents and warrants to Grantor as follows:

Section 2.1 **Existence and Power; Authority.** Recipient is a limited liability company , duly organized, validly existing and in good standing under the laws of the State of Oregon, whose sole member is TrackTown USA Inc., an Oregon Non-Profit Corporation. Recipient has (a) full power and authority to carry on its business as now being conducted and as Recipient contemplates it to be conducted with respect to the Project, and (b) full power, authority, and legal right to execute and deliver this Grant Agreement and all other agreements, documents and instruments contemplated hereby or thereby (collectively, the “**Grant Documents**”) and to incur and perform its obligations hereunder and thereunder. The execution and performance by Recipient of this Grant Agreement and the other Grant Documents have been duly authorized by all necessary action of Recipient. This Grant Agreement and the other Grant Documents have been duly executed by Recipient and will constitute legal, valid and binding obligations of Recipient, enforceable in accordance with their terms subject to the laws of bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors’ rights generally.

Section 2.2 **No Violations or Default.** Recipient is not in default under or in violation of any indenture or agreement to which it is a party or by which it is bound, or any order, regulation, ruling, or requirement of a court or other public body or authority. No creditor has given Recipient notice or threatened to give it any notice of default under any material agreement. No event has occurred and is continuing and no condition exists with respect to Recipient or the Project that constitutes an Event of Default or an event which, with the giving of notice or passage of time, or both, would become an Event of Default.

Section 2.3 **Litigation.** Except as set forth in Exhibit C, no action, suit or proceeding (and to Recipient’s knowledge, based upon Recipient’s due inquiry and diligence, no investigation) is pending against Recipient or with respect to the Project before any court, administrative agency or regulatory body (whether private or public) with authority over the Project or Recipient, (a) the outcome of which, by itself or taken together with other such litigation, would be reasonably expected to have a material adverse effect on the business, assets, operations, or financial condition of Recipient, the Project or the power of Recipient to complete the Project or (b) that purports to affect the legality, enforceability, or validity of any Grant Document.

Section 2.4 **Compliance With Laws.** Recipient is in material compliance with all federal, state and local laws, rules, regulations, ordinances and orders applicable to it, the Project, and the completion thereof, including, without limitation, all applicable health and safety, environmental, and zoning laws.

### **ARTICLE 3 COVENANTS**

Until completion of the Project or as otherwise indicated, Recipient covenants and agrees as follows:

**Section 3.1 Completion of Project.** Recipient shall complete the Project no later than Project Completion Deadline and Grantor is not obligated to disburse any Grant funds for Project costs incurred after that date. Promptly after the Project Completion Deadline or any termination of this Grant Agreement, Recipient shall repay to Grantor any Grant funds remaining in Recipient's possession that are not needed to cover Eligible Costs incurred prior to the Project Completion Deadline or the termination of this Grant Agreement, as the case may be. The foregoing repayment obligation shall survive any termination of this Grant Agreement. Recipient shall implement the Project in an expeditious and continuous manner and in accordance with all the requirements of the Grant Documents.

**Section 3.2 Maintenance of Business and Licenses.** Recipient will remain a wholly-owned subsidiary of TrackTown USA Inc., an Oregon Non-Profit corporation, and will remain validly existing under the laws of Oregon and will keep in force all licenses and permits necessary to the proper conduct of its business and the completion of the Project.

**Section 3.3 Compliance with Laws and Use Restrictions.** Recipient will comply with all laws, ordinances, statutes, rules, regulations, orders, injunctions, or decrees of any government agency or instrumentality having jurisdiction over Recipient or the Project, including all applicable health and safety, environmental, and zoning laws.

**Section 3.4 Other Obligations.** Recipient will pay and discharge before the same shall become delinquent all indebtedness, taxes, and other obligations for which it is liable or to which its income or property is subject and all claims for labor and materials or supplies except any thereof whose validity or amount is being contested in good faith by Recipient in appropriate proceedings with adequate provision having been made in accordance with generally accepted accounting principles for the payment thereof if the contest is determined adversely to Recipient.

**Section 3.5 Indemnity.** Recipient shall defend (subject to ORS Chapter 180), indemnify and hold the State of Oregon, Grantor, and their officers, employees and agents harmless from and against any and all liabilities, claims, losses, damages, or expenses (including attorney fees and expenses) that any of them may suffer or incur in connection with (a) the inaccuracy of any of the representations and warranties made by Recipient in any Grant Document, (b) any transaction contemplated by this Grant Agreement or any other Grant Document or (c) the actions or inactions of Recipient, or its employees, agents, contractors, or subgrantees related to the Project, other than claims, losses, damages, or expenses that arise solely from the gross negligence or willful misconduct of Grantor. This Section 3.5 shall survive completion of the Project and any termination of this Grant Agreement.

**Section 3.6 Records and Inspection.** Recipient shall keep proper books of account and records on all activities associated with the Grant, including but not limited to, separate books of

account and records on the use of all Grant proceeds and Other Financing. Recipient will maintain these books of account and records in accordance with generally accepted accounting principles and shall retain the books of account and records until the later of three years after the Project Completion Deadline or the date that all disputes, if any, arising under this Grant Agreement or the other Grant Documents have been resolved. Recipient will permit Grantor and/or its duly authorized representatives to inspect, review and make excerpts and transcripts of its books of account and records with respect to the receipt, disbursement and expenditure of any and all funds received from Grantor. Access to these records is not limited to the required retention period. The authorized representatives shall have access to the records at any reasonable time for as long as the records are maintained. This Section 3.6 shall survive completion of the Project and any termination of this Grant Agreement.

Section 3.7 **Audits and Financial Reviews.** Grantor, either directly or through a designated representative, may conduct financial and performance audits or reviews of the use of Grant proceeds and the implementation of the Project at any time during Project implementation and during the three-year period after the Project Completion Deadline. Audits will be conducted in accordance with generally accepted auditing standards. If an audit or financial review finds that payments to Recipient were in excess of the amount to which Recipient was entitled, then Recipient shall repay that amount to Grantor. In the event of such audit or financial review, Recipient agrees to provide the designated auditor or reviewer with reasonable access to Recipient's employees and make all such financial, performance and compliance records available to the auditor or reviewer. This Section 3.7 shall survive completion of the Project and any termination of this Grant Agreement.

Section 3.8 **Insurance.** Recipient shall carry, at a minimum, insurance coverage in the amounts set forth below:

3.8.1 **Workers' Compensation Insurance** in compliance with ORS 656.017, which requires subject employers to provide workers' compensation coverage for their subject workers. This coverage is required of grantees with one or more employees, unless exempt under ORS 656.027.

3.8.2 **General Liability** insurance with a combined single limit of not less than **\$1,000,000**, on an occurrence basis, for bodily injury and property damage. This type of insurance shall provide contractual liability coverage for the indemnification required under this Grant Agreement. Additionally, "**The Oregon Tourism Commission and its officers, agents and employees**" must be named as Additional Insured with respect to Recipient's Project activities under this Grant Agreement.

3.8.3 **Automobile Liability** insurance with a combined single limit of not less than **\$1,000,000** per occurrence, for bodily injury and property damage, including coverage for owned, hired, or non-owned vehicles, as applicable.

3.8.4 **Tail Coverage.** If any of the required insurance is on a claims made basis and does not include an extended reporting period of at least 36 months, Recipient shall maintain either tail coverage or continuous claims made liability coverage, provided the effective date of the continuous claims made coverage is on or before the effective date of this Agreement, for a minimum of 36 months following the later of (i) the Project Completion Deadline, or, (ii) the termination of this Agreement.

Prior to execution of this Agreement, Recipient must provide Grantor with certificates of insurance. Insuring companies or entities are subject to Grantor's acceptance and must be licensed to provide insurance in the state of Oregon. Recipient's insurance shall be primary insurance, and any commercial insurance or self-insurance maintained by the State of Oregon and/or Grantor shall not contribute to it. This Section 3.8 shall survive completion of the Project and any termination of this Agreement.

Section 3.9 **Recycled Products.** To the maximum extent economically feasible, Recipient shall use good faith efforts to use recycled products in connection with its implementation of the Project.

Section 3.10 **Other Financing.** In addition to the Grant, Recipient shall, from its own resources or from third parties, obtain Other Financing sufficient to complete the Project as set forth in the Budget.

#### **ARTICLE 4 EVENTS OF DEFAULT**

Any of the following shall constitute an Event of Default under this Grant Agreement:

Section 4.1 **Failure to Pay General Debts When Due.** Recipient (i) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of all or a substantial part of its property, (ii) admits in writing its inability to pay, or generally is not paying, its debts as they become due, (iii) makes a general assignment for the benefit of creditors, (iv) commences a voluntary action under the United States Bankruptcy Code (as now or hereafter in effect), (v) is adjudicated a bankrupt or insolvent; (vi) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts, (vii) fails to controvert in a timely or appropriate manner, or acquiesces or consents in writing to, any petition filed against it, in an involuntary action under the United States Bankruptcy Code (as now or hereafter in effect), or (viii) takes any action for the purpose of effecting any of the foregoing.

A proceeding or case is commenced against Recipient, without its consent, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, dissolution, windup, or composition or readjustment of the debts of Recipient, (ii) a receiver, trustee, custodian, liquidator, or the like is appointed for Recipient or for all or a substantial part of its assets, or (iii) relief is granted to Recipient under any law relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts, and such proceeding or case continues undismissed, or (iv) an order, judgment, or decree approving or ordering any of the foregoing is entered and continues unstayed and in effect for any period of 60 days, or an order for relief against Recipient is entered in an involuntary case under the United States Bankruptcy Code (as now or hereafter in effect).

Section 4.2 **Failure to Disclose Material Facts.** Recipient makes any material misstatement of, or omits to disclose to Grantor, any fact material to the making of the Grant, the progress toward completion of the Project, obtaining Other Financing for the Project, or a

disbursement of Grant funds to Recipient, or upon discovery by Grantor of any such misrepresentation or omission.

Section 4.3 **Failure to Pay Amounts Due.** Recipient fails to pay any sum due under this Grant Agreement or any other Grant Document within the time specified herein or therein.

Section 4.4 **Failure to Comply with Other Obligations.** Recipient fails to observe, perform, discharge or comply with any other covenant, agreement or obligation imposed on Recipient by this Grant Agreement or any other Grant Document, including requirements for mid-year and annual reporting, and such failure remains uncured 30 days after written notice thereof to Recipient.

Section 4.5 **Discontinued Project.** Work on the Project is discontinued or prohibited for 30 or more consecutive days or the Project is abandoned.

Section 4.6 **Failure to Diligently Pursue the Project.** Recipient fails to diligently pursue the Project to completion by the Project Completion Deadline in accord with the timeline set forth in Exhibit A or fails to obtain Other Financing sufficient to complete the Project.

## **ARTICLE 5 RIGHTS AND REMEDIES UPON EVENT OF DEFAULT**

Upon the occurrence of an Event of Default and at any time thereafter, Grantor may, at its option, exercise any one or more of the following rights and remedies:

Section 5.1 **Repayment.** Grantor may declare the entire original Grant (or so much thereof as has been disbursed to Recipient) and other charges payable by Recipient pursuant to this Grant Agreement or any other Grant Document, to be immediately due and payable in full and, upon such declaration, Recipient shall pay to Grantor the amount declared to be immediately due and payable.

Section 5.2 **Termination.** Grantor may, by and effective upon written notice to Recipient, terminate this Agreement or Grantor's obligation to disburse additional Grant funds to Recipient.

Section 5.3 **No Election Required.** Grantor shall have any other right or remedy provided in this Grant Agreement or any other Grant Document, or available at law, in equity, or otherwise in such order and manner as it may select.

Section 5.4 **Rights and Remedies Cumulative.** All rights and remedies described in this Article 5 are cumulative and in addition to any other remedy Grantor may have by agreement, at law, or in equity. Partial exercise of any right or remedy shall not limit or restrict Grantor's subsequent exercise of such right or remedy nor shall it restrict Grantor's contemporaneous or subsequent exercise of any other right or remedy.

Section 5.5 **No Waiver.** No failure on the part of Grantor to exercise, and no delay in exercising, any right, power, or privilege under this Grant Agreement or any other Grant Document shall operate as a waiver of that right or any other right. No modification or waiver of any provision of this Grant Agreement or any other Grant Document shall be effective unless in writing, and then only

in specific instance and for the purpose given. No notice or demand on Recipient shall entitle Recipient to any other notice or demand in other similar circumstances.

**Section 5.6 Payment of Costs of Collection.** In case of an Event of Default or an event which, with the lapse of time or the giving of notice, or both, would become an Event of Default, or in case litigation is commenced to enforce or construe any term of this Grant Agreement or any other Grant Document, to the extent permitted by law the losing party will pay to the prevailing party such amounts as shall be sufficient to cover the cost and expense of collection or enforcement, including, without limitation, reasonable attorney fees and costs prior to and at any arbitration proceeding the parties may agree to or at trial, on appeal, or in any bankruptcy proceeding. For purposes of this paragraph, reasonable attorneys' fees cannot exceed the rate charged to Grantor by its attorneys, including the Oregon Department of Justice.

## **ARTICLE 6 GENERAL**

**Section 6.1 Counterparts.** This Grant Agreement may be executed in any number of counterparts, and any single counterpart or set of counterparts signed, in either case, by all the parties hereto shall constitute a full and original instrument, but all of which shall together constitute one and the same instrument.

**Section 6.2 Survival.** All agreements, representations, and warranties shall survive the execution and delivery of this Grant Agreement, any investigation at any time made by Grantor or on its behalf and the making of the Grant.

**Section 6.3 Notice.** Any notice required or permitted under this Grant Agreement shall be in writing and shall be deemed effective (1) when actually delivered in person, (2) one business day after deposit with a commercial courier service for "next day" delivery, (3) two business days after having been deposited in the United States mail as certified or registered mail, or (4) when transmitted by email, addressed to the parties as follows:

If to Recipient:      Name: Oregon21, LLC  
                                  Attn: \_\_\_\_\_  
                                  Address: \_\_\_\_\_  
                                  Eugene, Oregon \_\_\_\_\_  
                                  Telephone: (\_\_\_\_) \_\_\_\_ - \_\_\_\_  
                                  Email: \_\_\_\_\_

If to Grantor:            Oregon Tourism Commission  
                                  Attn: Jeff Hampton  
                                  Address: 319 SW Washington St.  
  Suite 700  
                                  Portland, OR 97204  
                                  Telephone: (971) 717-6205  
                                  Email: Jeff@traveloregon.com



Section 6.4 **Successors and Assigns.** Recipient may not assign this Grant Agreement or any right hereunder or interest herein, in whole or in part, without the prior written consent of Grantor; provided, however, in the event Recipient terminates its existence prior to the date that is three years after the Project Completion Deadline, Recipient shall enter into an agreement with Tracktown USA under which Recipient transfers to, and Tracktown USA accepts, any obligations under this Agreement that survive the Project completion. This Grant Agreement shall be binding upon and shall inure to the benefit of the parties and their respective permitted successors and assigns.

Section 6.5 **Subgrants.** Recipient may not subgrant any portion of the Grant without the prior written consent of Grantor. Notwithstanding an approved subgrant, Recipient shall remain fully responsible for the proper use of all Grant proceeds and for completion of the Project by the Project Completion Deadline. Recipient shall enter into a written agreement with each permitted subgrantee that describes the permitted use of the subgranted funds and requires the subgrantee to comply with the applicable portions of this Grant Agreement, including but not limited to, the record keeping and reporting requirements and auditing requirements set forth in Sections 3.6 and 3.7 hereof, as necessary to permit Recipient to satisfy its recording keeping and reporting requirements and auditing requirements under this Grant Agreement.

Section 6.6 **Governing Law, Jurisdiction, Venue.** This Grant Agreement and the other Grant Documents shall be governed by and construed in accordance with the laws of the State of Oregon, without regard to its conflicts of law principles. Any legal action regarding this Grant Agreement or the other Grant Documents must be brought and conducted in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in the Circuit Court in another Oregon county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

Notwithstanding the preceding paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

Section 6.7 **Modification; Prior Grant Agreements; Headings.** This Grant Agreement may not be modified or amended except by an instrument in writing signed by Recipient and Grantor. This Grant Agreement taken together with the other Grant Documents reflect and set forth the entire agreement and understanding of the parties with respect to the subject matter hereof, and supersede all prior agreements and understandings relating to such subject matter. The headings in this Grant Agreement are for the purpose of reference only and shall not limit or otherwise affect any of the terms hereof.

Section 6.8 **Validity; Severability.** If any provision of this Grant Agreement is held to be invalid, such event shall not affect, in any respect whatsoever, the validity of the remainder of this Grant Agreement, and the remainder shall be construed without the invalid provision so as to carry out the intent of the parties to the extent possible without the invalid provision.

Section 6.9 **Exhibits and Schedules.** The exhibits and schedules to this Grant Agreement are, by this reference, incorporated into and deemed a part of this Grant Agreement as if they were fully set forth in the text hereof.

Section 6.10 **Time of Essence.** Time is of the essence of this Grant Agreement and each of the Grant Documents.

Section 6.11 **Relationship of the Parties.** Nothing contained in this Grant Agreement or any acts of the parties hereto shall be deemed or construed to create the relationship of principal and agent, or of partnership, or of joint venture or of any other association other than that of independent contracting parties.

Section 6.12 **No Third Party Beneficiary Rights.** No person not a party to this Grant Agreement is an intended beneficiary of this Agreement, and no person not a party to this Grant Agreement shall have any right to enforce any term of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have caused this Grant Agreement to be executed by their duly authorized representatives effective as of the date first above written.

**GRANTOR:**

**STATE OF OREGON** acting by and through the **OREGON TOURISM COMMISSION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**RECIPIENT:**

Oregon21, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **EXHIBIT A**

### **IAAF WORLD TRACK AND FIELD CHAMPIONSHIPS EVENT**

#### **SCOPE OF PROJECT**

Recipient will deliver events in Eugene, Oregon that constitute the International Association of Athletics Federations (“IAAF”) World Track and Field Championships sporting event held on August, 6 through 15, 2021, as described in Recipient’s application materials submitted to Grantor (the “Project”). The Event will at a minimum include sufficient facilities and events to host approximately 2,000 athletes and approximately 3, 000 broadcasters, press and photographers as well as spectators. Recipient’s application materials are on file with Grantor and are incorporated by reference herein.

#### **PROJECT OUTCOMES/METRICS**

In addition to completion of the required Project activities described in the Grant Application submitted by Recipient, the Project will be constructed and operated in compliance with all IAAF standards and guidelines applicable to the Project. Recipient will recruit and engage sufficient staff, independent contractors and volunteers who are knowledgeable and trained in providing facilities, events, catering, hosts and language experts to support a world-wide sporting event with an audience of thousands, including the recruitment of experienced professionals as well as students and new graduates. Recipient will develop a training program for its volunteers and workforce that is focused on customer service. Recipient will promote the State of Oregon as a whole as a visitor destination in its marketing and media for the Project.

The Project will include the following key elements subject to the provisions of the Event Operating Agreement (EOA) and IAAF approval:

1. Include Oregon21 as the name of the event and on photos, videos and news stories about the event;
2. Implement a social media strategy that promotes Oregon as a whole in athlete-driven content, official event information and mass engagement campaigns;
3. Develop and execute a comprehensive ticketing promotions plan targeting all 50 states and overseas;
4. Implement a promotional campaign showcasing Oregon through national and international events;
5. Seek to successfully recruit volunteers from every state and internationally;
6. Connect with national and international track and field tour operators to develop itineraries that include Oregon;
7. Incorporate distinctive Oregon features into event presentations and productions;
8. Work with official apparel supplier to develop and provide unique Oregon apparel for event volunteers, staff and visitors;
9. Design event medals to include distinctive Oregon features and related media campaign;
10. Work with OTC to:
  - Provide B-roll showcasing each Oregon tourism region to event broadcasters;
  - Develop comprehensive media kit showcasing Oregon business, travel destinations, education and sustainability leadership;

- Increase social media following and impressions from prior IAAF world championships
11. Develop menus for official events, hospitality and catering that focus on Oregon agriculture and products.

**PROJECT TIMELINE**

Recipient will pursue and complete the Project activities in accord with the following schedule:

Foundational Planning	September 2016-August 2017
General Planning	September 2017-August 2018
Functional Area Planning 1	September 2018-October 2019
Functional Area Planning 2	November 2011-September 2020
Readiness	October 2020 – June 2021
Event	July 2021 – August 2021
Dissolution	September 2021 – March 2022

**REPORTING REQUIREMENTS**

No later than sixty days after the execution of this Agreement Recipient shall submit an Annual Progress Report in the manner defined and including elements detailed below. No later than June 30, 2019 and continuing no later than June 30 of each year thereafter until the Project is complete, Recipient shall prepare and submit to Grantor, a Mid-Year Progress Report on the Project that includes, but is not limited to, description of the work underway or completed since the last Annual Progress Report, work currently in-progress toward completion of the Project, an updated Exhibit B, Exhibit C, Exhibit D and articulating any changes to Recipient’s representations and warranties in Article II of this Agreement. No later than December 31, 2019, and no later than December 31 of each year thereafter until the Project is complete, Recipient shall prepare and submit to Grantor an Annual Progress Report on the Project that includes, but is not limited to, description of the work underway or completed since the last Annual Progress Report, work currently in-progress toward completion of the Project, an updated Exhibit B, Exhibit C, Exhibit D and articulating any changes to Recipient’s representations and warranties in Article II of this Agreement. After completion of the Project, Recipient shall prepare and submit to Grantor a final written report on the Project that describes the work completed as part of the Project. The final written report on the Project will be due no later than December 31, 2021. After completion of the Project, Recipient will make a presentation before the Oregon Tourism Commission at a public meeting to report on the aforementioned Project key elements at a mutually agreed upon date but no later than June 30, 2022.

Each progress report shall contain at a minimum:

- a. a description of the Project activities in progress and completed compared to the Project timeline set forth above;
  - b. a description of the Recipient’s expenditure of Grant funds based on the same categories as those set forth under the Sources and Uses of Grant Funding Budget (Exhibit B) set forth below; and
  - c. a description of Recipient’s Total Revenues and Total Expenditures using the same categories as those set forth under the Oregon21 Financial Forecast (Exhibit C) set forth below.
- Description of revenues may include commitments of cash and value of in-kind commitments for the Project. Recipient is not required to include names of people or organizations providing the actual or committed revenues categorized as Partnerships, Retail Sales and Other revenues in Progress Reports but must distinguish actual revenues from revenue commitments received.

**EXHIBIT B**

**Sources and Uses of Grant Funding Budget**

**1. Grant Funds:**

1 OTC Grant (Award based project identified in Exhibit A)	\$ 10,000,000
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<b>Total</b>	<b>\$ <u>10,000,000</u></b>
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**Total OTC Grant Expenditures**

1 Administration (Personnel and office space, prize money, insurance, legal fees and staff travel)	\$
2 Operations (Travel and accommodation for athletes and IAAF Family, security, volunteer and accreditation operations)	\$
3 Marketing/Sponsorship (Marketing/promotional initiatives, branding elements, sponsorship rights and servicing)	\$
4 Protocol (Opening/closing ceremonies, IAAF Congress and required social functions)	\$
5 Facilities (Temporary construction, IT and electrical infrastructure, and seating to increase stadium)	\$
6 Competition (Services, equipment and personnel to conduct the competition, training and warm-up venues)	\$

7 Medical/Doping Control (Services, equipment and personnel to provide medical services and drug-testing protocols)	\$
8 Press (Temporary infrastructure and IT equipment to provide media and photographer services)	\$
9 Television (Host broadcast production costs for international broadcast signal)	\$
10 Telecommunications (Telephone-related infrastructure costs and usage)	\$
11 Contingency	\$
12 Legacy	\$
<b>Total</b>	<b>\$</b>

**Exhibit C**  
**OREGON21 FINANCIAL FORECAST**

**Total Revenues**

1 Partnerships (Sponsorships, public funds and nonprofit grants)	\$51,000,000
2 Retail Sales (Ticket, program, merchandise and food & beverage sales. Also includes patron and hospitality sales)	18,039,975
3 Other (Contributions from IAAF and other organizations)	<u>16,550,000</u>
<b>Total</b>	<b><u>\$ 85,589,975</u></b>

**Total Expenditures**

1 Administration (Personnel and office space, prize money, insurance, legal fees and staff travel)	\$16,757,500
2 Operations (Travel and accommodation for athletes and IAAF Family, security, volunteer and accreditation operations)	20,810,375
3 Marketing/Sponsorship (Marketing/promotional initiatives, branding elements, sponsorship rights and servicing)	12,450,000
4 Protocol (Opening/closing ceremonies, IAAF Congress and required social functions)	3,883,850
5 Facilities (Temporary construction, IT and electrical infrastructure, and seating to increase stadium)	3,466,000
6 Competition (Services, equipment and personnel to conduct the competition, training and warm-up venues)	2,320,500
7 Medical/Doping Control (Services, equipment and personnel to provide medical services and drug-testing protocols)	1,066,750
8 Press (Temporary infrastructure and IT equipment to provide media and photographer services)	6,100,000
9 Television	14,200,000

(Host broadcast production costs for international broadcast signal)

10 Telecommunications (Telephone-related infrastructure costs and usage)	85,000
11 Contingency	4,000,000
12 Legacy	450,000
<b>Total</b>	<b>\$85,589,975</b>



**EXHIBIT D**

**Exceptions to Recipient's Representations and Warranties  
(updated, if needed with each Disbursement Request)**

Section 2.3 Litigation Exceptions. \_\_\_\_\_