

# Contract Review Sheet

Grant Agreement

**HE-6609-25**

Title: **Behavioral Health Investments Project**

Contractor's Name: **Oregon Health Authority**

Department: **Health and Human Services**

Contact: **Kristina Ballow**

Analyst: **Chalyce MacDonald**

Phone #: **(503) 588-5409**

Term - Date From: **upon signatures**

Expires: **December 31, 2025**

Original Contract Amount: **\$ 2,937,125.00**

Previous Amendments Amount: **\$ -**

Current Amendment: **\$ -**

New Contract Total: **\$ 2,937,125.00**

Amd% **0%**

**Incoming Funds**

- Federal Funds  Reinstatement  Retroactive  Amendment greater than 25%

Source Selection Method: **50-0010 General Exemptions (IGAs Grants QRFs)**

Description of Services or Grant Award

The Oregon State Legislature appropriated \$50 million in funds for House Bill 5030 (2023) (the "Program") to OHA for the purpose of providing grants to increase community acute psychiatric facility capacity, and/or prevent the admission of acute psychiatric care and increase access to individuals discharging from acute psychiatric facilities. This will provide additional opportunities for treatment to support economic growth in local communities for capital investments. OHA awarded MCHHS an amount not to exceed \$2,937,125.00.

Desired BOC Session Date: **5/14/2025**

Contract should be in DocuSign by: **4/23/2025**

Agenda Planning Date: **5/1/2025**

Printed packets due in Finance: **4/29/2025**

Management Update: **4/29/2025**

BOC upload / Board Session email: **4/30/2025**

BOC Session Presenter(s) **Ryan Matthews**


Code: **Y**

**REQUIRED APPROVALS**

DocuSigned by:  
  
E4592AE8CA542C  
4/18/2025  
Date

Signed by:  
  
A38C58E8078E42B  
4/21/2025  
Date

Signed by:  
  
60C98A6E708240B  
4/21/2025  
Date

DocuSigned by:  
  
DC16351248DE4EC  
4/21/2025  
Date

Legal Counsel

Chief Administrative Officer



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date: 5/14/25

Department: Health & Human Services

Title: Behavioral Health Investments Project

Management Update/Work Session Date: 4/29/25 Audio/Visual aids [ ]

Time Required: 10 Contact: Kristina Ballow Phone: 503-588-5409

Requested Action: Seeking Approval of the Grant Agreement for the Behavioral Health Crisis Center renovations.

Issue, Description & Background: The Oregon State Legislature appropriated \$50 million in funds for House Bill 5030 (2023) (the "Program") to OHA for the purpose of providing grants to increase community acute psychiatric facility capacity, and/or prevent the admission of acute psychiatric care and increase access to individuals discharging from acute psychiatric facilities. This will provide additional opportunities for treatment to support economic growth in local communities for capital investments. OHA awarded MCHHS an amount not to exceed \$2,937,125.00.

Financial Impacts: Total contract amount \$2,937,125.00

Impacts to Department & External Agencies: Health and Human Services anticipates no financial impact to other departments.

List of attachments: Grant Agreement

Presenter: Ryan Matthews

Department Head Signature: Ryan Matthews

**After Recording Return to:**

Oregon Health Authority  
Behavioral Health Division  
Attn: Behavioral Health Investments Program  
500 Summer St. SE, E-86  
Salem, Oregon 97301

SPACE ABOVE FOR RECORDER'S USE

**STATE OF OREGON  
OREGON HEALTH AUTHORITY**

**BEHAVIORAL HEALTH DIVISION  
BEHAVIORAL HEALTH INVESTMENTS PROGRAM  
GRANT AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS**

This Grant Agreement and Declaration of Restrictive Covenants (this “**Agreement**”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2025 (the “**Effective Date**”) by and between **Marion County Health and Human Services**, an Oregon municipality, (“**Grantee**”) and the State of Oregon, acting by and through its Oregon Health Authority (“**OHA**”). OHA and Grantee may be referred to jointly herein as the “**Parties**” or individually as a “**Party**.”

**RECITALS**

**A.** The Oregon State Legislature appropriated \$50 million in funds for House Bill 5030 (2023) (the “**Program**”) to OHA for the purpose of providing grants to increase community acute psychiatric facility capacity, and/or prevent the admission of acute psychiatric care and increase access to individuals discharging from acute psychiatric facilities. This will provide additional opportunities for treatment to support economic growth in local communities for capital investments.

**B.** OHA awarded Grantee an amount not to exceed **TWO MILLION NINE HUNDRED THIRTY-SEVEN THOUSAND ONE HUNDRED TWENTY-FIVE DOLLARS (\$2.937,125)** in Program funds (the “**Grant**”) for the purpose of renovating a Crisis Center (as hereinafter defined) with five (5) beds (collectively, the “**Improvements**”) situated on certain real property located in Salem, Marion County (the “**County**”), Oregon and further described in Exhibit A, attached hereto (the “**Property**”). The Property and the Improvements are collectively referred to herein as the “**Project**”.

**C.** The Parties desire that this Agreement be recorded in the County records at Grantee’s cost and that certain terms herein constitute restrictive covenants and equitable servitudes running with the Property and governing, among other things, the maintenance, monitoring, and operation of the Project.

## AGREEMENT

NOW, THEREFORE, for good and sufficient consideration, including the terms, conditions, covenants, warranties, and undertakings set forth herein, the Parties agree as follows:

### 1. DEFINITIONS; INCORPORATION.

**1.1. Definitions.** With the exception of the definitions immediately listed below, capitalized terms used herein without definition have the meaning ascribed to such term in the Program Requirements (as hereinafter defined) unless the context clearly requires otherwise:

“**Bonds**” means the State of Oregon Lottery Revenue Bonds 2024 Series A Bonds (Tax-Exempt) issued pursuant to the Act, and any bonds or other obligations subsequently issued by the State of Oregon to refinance such bonds, a portion of the sale proceeds of which are funding the Grant.

“**Code**” means the Internal Revenue Code of 1986, as amended, including any implementing regulations and any administrative or judicial interpretations.

“**Crisis Center**” means a 24/7 crisis stabilization services aimed at providing immediate support to individuals in psychiatric or behavioral health distress, offering comprehensive crisis intervention and respite.

“**Date of Issuance**” means the date the State Treasurer, at the request of DAS, issued the Bonds. For the purposes of this Agreement, this date was May 1, 2024

“**Private Person**” means any person or entity other than a state or local governmental unit or an individual not acting in a trade or business. Accordingly, a Private Person would include the federal government, for-profit organizations, non-profit organizations, and individuals who are acting in a trade or business capacity.

“**Private Use**” means, subject to certain exceptions, the use of a portion or all of the Project by a Private Person if such use is other than as a member of the general public. Private Use can include ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management contract, service or incentive payment contract, output contract, naming rights contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use by employees of the Grantee solely in their capacity as employees ordinarily will not be considered Private Use.

“**Project Costs**” means expenditures incurred by the Grantee that are (a) reasonable, necessary and directly used for the Project, (b) capital expenditures for federal income tax

purposes within the meaning of Section 1.150-1(b) of the Code, and (c) eligible or permitted uses of the Grant under law and this Agreement. Project Costs do NOT include internal costs charged to the Project by Grantee or payments made to Related Parties, do NOT include loans or grants to be made to third parties, and may only include the payment of principal due on interim financing for the Project with the prior written consent of DAS.

**“Related Parties”** means, in reference to governmental units or 501(c)(3) organizations, members of the same controlled group within the meaning of Section 1.150-1(e) of the Code, and in reference to any person that is not a governmental unit or a 501(c)(3) organization, a related person as defined in Section 144(a)(3) of the Code.

**“Residential Treatment Facility”** means a facility that provides, for six or more individuals with mental, emotional or behavioral disturbances or alcohol or drug dependence, residential care and treatment in one or more buildings on contiguous properties.

**“Residential Treatment Home”** means a facility that provides for five or fewer individuals with mental, emotional or behavioral disturbances or alcohol or drug dependence, residential care and treatment in one or more buildings on contiguous properties.

**“Residential Substance Use Disorders Treatment Program”** means a publicly or privately operated program as defined in ORS 430.010 (Definitions) that provides assessment, treatment, rehabilitation, and twenty-four hour observation and monitoring for individuals with substance use dependence, consistent with Level III of ASAM PCC.

**“Secure Residential Treatment Facility (SRTF)”** means divided into Class 1 and Class 2 facilities. Class 1 has 24/7 RN staffing for medical assessments and can use physician-ordered seclusion/restraint. Class 2 can initiate physical restraint but must refer individuals to ER for medical assessments. Differentiated by resident stability and compliance with medication.

**“Transitional Housing (TH)”** means transitional housing provides temporary accommodation as individuals move towards more permanent housing solutions.

**“Withdrawal Management”** means services performed in a publicly or privately operated facility approved by OHA that provides withdrawal management services and emergency care to individuals experiencing withdrawal symptoms due to the cessation or reduction of substance use. Withdrawal Management services must be Person-centered, trauma-informed, and evidence-based, ensuring the safe stabilization of withdrawal symptoms and includes referrals to ongoing substance use disorder treatment.

**1.2. Incorporation.** The foregoing recitals and any exhibit(s) are incorporated into this

Agreement by reference to the same extent and with the same force and effect as if fully set forth herein, provided, however, that the incorporated items do not modify the express provisions of this Agreement.

**2. GRANT.**

**2.1. Authority; Amount.** Subject to the availability of Program funds, OHA having continued funding, appropriation, limitation, allotment, or other expenditure authority sufficient to allow it, in the exercise of its reasonable administrative discretion, to meet its obligations under this Agreement, and conditioned upon the terms and conditions of this Agreement, OHA will provide the Grant to Grantee.

**2.2. Grant Disbursement.** Subject to the provisions of this Section 2, OHA will disburse the Grant to Grantee at its sole discretion and after execution and recording of this Agreement and delivery to OHA of information satisfactory to it that the construction or rehabilitation of the Project will commence within a reasonable time. Disbursements may begin only after the satisfaction of the conditions precedent set forth below. Disbursement requests may be submitted to OHA no more often than quarterly as an advanced payment for projected development costs for the upcoming quarter or monthly as an expense reimbursement on a costs-incurred basis, all in a form satisfactory to OHA along with supporting documentation. Any disbursement for projected quarterly development costs that is disbursed to Grantee as an advanced request must be substantiated with the final invoices, receipts, and other supporting documentation satisfactory to OHA prior to the issuance of another quarterly advance.

**2.2.1. Electronic Funds Transfer.** OHA no longer issues paper checks. To receive Grant funds, Grantee must enroll in Electronic Funds Transfer (EFT) by submitting a Direct Deposit Authorization form provided by OHA. OHA is not required to make any disbursement under this Agreement until it has received the required information from Grantee.

**2.2.2. Conditions Precedent to Disbursements.** As to any requested disbursement, OHA has no obligation to disburse Grant funds unless all following conditions are met:

- a. Grantee has delivered documentation satisfactory to OHA that, in addition to the Grant funds, Grantee has available or has obtained binding commitments for substantially all funds necessary to complete the Project;
- b. Grantee has delivered documentation satisfactory to OHA that Grantee has obtained all necessary land use permits and approvals for the Project, and is permitted to develop and complete the Project; and
- c. Grantee has delivered documentation that Grantee has contracted with a

service provider satisfactory to OHA in its sole discretion.

- 2.3. Project Costs paid by Grantee before the Bonds are Issued.** The Grant cannot be used for Project Costs that were paid more than 60 days before the earlier of the following two dates: (i) the Date of Issuance of the Bonds; and (ii) the date on which a Declaration of Official Intent to Reimburse Project Costs was executed. Preliminary Expenditures that can be capitalized to the Project are subject to restrictions imposed by 26 CFR 1.150-2(f)(2) but are not subject to the time limitations of this Section 2.3.
- 2.4. Costs Paid for by Others.** Grantee may not use any of the Grant to pay internal costs charged to the Project by Grantee or by Related Parties or to repay the interest owed for any interim financing for the Project. Grantee may not use any of the Grant to repay the principal owed on interim financing for the Project without the prior written consent of the Department of Administrative Services.
- 2.5. Deadline to Request Grant Proceeds.** Grantee shall complete the Project and request any disbursement of Grant fund no later than the third anniversary date of the Date of Issuance.
- 2.6. Appropriateness of Charges.** Grant funds may only be used for reimbursement of eligible costs for the Project and in accordance with Grantee's Project Budget approved by OHA, set forth in Exhibit B (the "**Project Budget**") attached hereto as it may be revised by from time to time by Grantee and approved in writing by OHA. OHA may review all receipts and other evidence, as well as require and obtain such other information as it determines appropriate, concerning the eligibility, appropriateness, and amount of activities and Project costs prior to and after disbursing Grant funds to Grantee under this Agreement. OHA's determination as to the eligibility, appropriateness and amount of such rehabilitation or construction activities and related costs will be at OHA's sole discretion.
- 2.7. Recovery of Overpayments.** Any funds disbursed to Grantee under this Agreement that are expended in violation or contravention of one or more of the provisions of this Agreement ("**Misexpended Funds**") or that remain unexpended on termination or expiration of this Agreement ("**Unexpended Funds**") must be returned to OHA. Grantee shall return all Misexpended Funds to OHA promptly after OHA's written demand and no later than fourteen (14) calendar days after OHA's written demand. Grantee shall return all Unexpended Funds to OHA within fourteen (14) calendar days after the termination or expiration of this Agreement, as applicable. OHA, in its sole discretion, may recover Misexpended Funds or Unexpended Funds by withholding from payments due to Grantee such amounts, over such periods of time, as are necessary to recover the amount of the Misexpended Funds or Unexpended Funds.

### 3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF GRANTEE.

Grantee represents, warrants and covenants that:

- 3.1. **Validity.** Grantee is a municipality duly organized, validly existing under the laws of Oregon, is authorized to do business in Oregon, and has the power and authority to transact the business in which it is engaged and to enter into and perform this Agreement.
- 3.2. **Authority; No Impairment.** The making and performance of this Agreement by Grantee has been duly authorized by all necessary action of Grantee; do not and will not violate any provision of any applicable law, rule, or regulation or order of any court, regulatory commission, board or other administrative agency or any provision of Grantee's organizing documents or authorizing statutes; and do not and will not result in the breach of, or constitute a default or require any consent under, any other agreement or instrument to which Grantee is a party or by which Grantee or any of its properties is bound or affected and does not and will not result in the creation or imposition of any prohibited encumbrance of any nature.
- 3.3. **Enforceability.** This Agreement, when executed and delivered, is a valid and binding obligation of Grantee enforceable in accordance with its terms.
- 3.4. **Program Requirements.** Grantee shall timely satisfy all requirements of this Agreement, including the program rules, all applicable OHA administrative rules, and all other applicable federal, state, and local statutes, rules, regulations, ordinances, and orders (collectively, the "**Program Requirements**") to the satisfaction of OHA.
- 3.5. **Insurance.** Grantee shall maintain and provide the OHA with proof of insurance policies with responsible insurers or self-insurance programs, insuring against liability and risk of direct physical loss, damage or destruction of the Project, at least to the extent that similar insurance is customarily carried by entities constructing, operating and maintaining similar properties/facilities, including as required under this Agreement.
- 3.6. **Completion Date.** Grantee will complete the Project and obtain a certificate of completion, or similar authorization to occupy the Project, no later than December 31, 2025, unless extended by OHA in writing (the "**Completion Date**") in accordance with the terms and conditions of this Agreement.
- 3.7. **Responsibility.** Grantee assumes full responsibility for timely and appropriate completion of the Project, for ownership of the Project, for its operation in accordance with this Agreement and acknowledges that OHA has no direct or contractual responsibility for the Project, for ownership of the Project, or for its operation.
- 3.8. **Independent Party.** Grantee is not an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265 or otherwise.



- 3.9. Full Disclosure.** Grantee has disclosed in writing to OHA all facts that may adversely affect the Project, or the ability of Grantee to perform any obligation required by this Agreement. Grantee has made no false statements of fact, nor has it omitted information necessary to prevent any statements from being misleading, regarding the Grant, the Project and this Agreement. The information contained in this Agreement is true and accurate in all respects.
- 3.10. Pending Litigation.** Grantee has disclosed in writing to OHA all proceedings, environmental or otherwise, pending (or to the knowledge of Grantee, threatened) against or affecting Grantee or the Project, in any court or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would materially adversely affect the Project or the ability of Grantee to perform all obligations required by this Agreement.
- 3.11. No Defaults.**
- 3.11.1.** No Events of Default (as hereinafter defined) exist or occur upon authorization, execution or delivery of this Agreement.
- 3.11.2.** Grantee has not violated and has not received notice of any claimed violation of, any agreement or instrument to which it is a party or by which the Project or its property may be bound, that would materially adversely affect the Project or the ability of Grantee to perform all obligations required by this Agreement.
- 3.12. Compliance with Existing Agreements and Applicable Law.** The authorization and execution of, and the performance of all obligations required by, this Agreement will not: (i) cause a breach of a material agreement, indenture, mortgage, deed of trust, or other instrument, to which Grantee is a party or by which the Project or any of Grantee's property or assets may be bound; (ii) violate any provision of the applicable enabling statutes, code, charter, ordinances or other Oregon law pursuant to which Grantee was organized or established; or (iii) violate any laws, regulations, ordinances, resolutions, or court orders related to Grantee, the Project or Grantee's properties or operations.
- 3.13. Governmental Consent.** Grantee has obtained or will obtain all permits and approvals, and has made or will make all notifications, declarations, filings or registrations, required for the making and performance of its obligations under this Agreement and undertaking and completion of the Project, including without limitation, all land use approvals and development permits required under local zoning or development ordinances, state law and federal law for the use of the land on which the Project will be located.

**4. ADDITIONAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF GRANTEE; USE RESTRICTIONS**

Grantee also represents, warrants, and covenants that:

**4.1. Fair Housing and Other Civil Rights Compliance.** Grantee shall comply with all applicable state and federal nondiscrimination laws including, but not limited to, the Fair Housing Act and the Americans with Disabilities Act.

**4.2. Use Restrictions and Duration.**

**4.2.1. Use Restrictions.** Upon completion of the Project and for the duration of the Use Restriction Period (as hereinafter defined), Grantee shall continuously operate the Project as a behavioral health Crisis Center, and fill or hold vacant and available within the Project, five (5) beds to serve individuals in psychiatric or behavioral health distress with mental health and substance use disorder needs (collectively, the “**Use Restrictions**”).

**4.2.2. Individuals to be served at Project.** Upon completion of the Project and for the duration of the Use Restriction Period, Grantee will serve individuals of all ages—including children, youth, adolescents, adults, and older adults—who are experiencing behavioral health crises or related challenges. This includes, but is not limited to, individuals experiencing mental health or substance use crises, people who are unhoused or at risk of homelessness, families in acute distress, individuals transitioning from inpatient or institutional care back into the community, and those involved in legal or judicial proceedings related to behavioral health concerns. The Project will be accessible to individuals from all regions of Oregon.

**4.2.3. Use Restriction Period.** For a period of twenty (20) years from December 31<sup>st</sup> of the year that the Project is completed or until **December 31, 2045**, whichever is later (the “**Use Restriction Period**”), Grantee is required to provide and comply with the requirements of the Use Restrictions.

**4.3. Representations and Covenants Regarding the Tax-Exempt Status of the Bonds.**

**4.3.1.** Grantee acknowledges that the Bonds have been or are expected to be issued with the interest paid on the Bonds excludable from gross income for federal income tax purposes and that the uses of the Grant proceeds and the Project by Grantee during the term of the Bonds may impact the tax-exempt status of the Bonds. Grantee agrees to comply with all applicable provisions of the Code necessary to protect the exclusion of interest on the Bonds from federal income taxation.

**4.3.2.** Grantee shall not, without prior written consent of DAS, permit any portion of the Project to be used in such a way that could result in the State of Oregon receiving direct or indirect payments or revenues (excluding generally applicable taxes) from any use of the Project.

**4.3.3.** Grantee shall not directly or indirectly use any of the Grant proceeds to make or

finance loans to persons other than governmental units, as that term is used in Section 141(c) of the Code.

- 4.4. Representations and Covenants Regarding “Arbitrage Bonds”.** Grantee shall not directly or indirectly use or permit the use of any of the Financing Proceeds or any other funds or take any action or omit to take any action, which would cause the Bonds to be “arbitrage bonds” within the meaning of 26 U.S.C. Section 148(a).
- 4.5. Habitability; Other Compliance.** Throughout the Use Restriction Period, Grantee will manage the Project in a safe and sanitary condition that is satisfactory to OHA and in accordance with applicable zoning, code and habitability requirements.
- 4.6. Prevailing Wage Requirements.** The prevailing wage rate requirements that may apply to the Project are set forth in ORS 279C.800 through 279C.870, the administrative rules promulgated thereunder (OAR Chapter 839, Division 25) and Oregon Laws 2021, chapter 678, section 17 (collectively, “PWR”), or, when applicable, 40 U.S.C. 3141 et seq. (“**Davis-Bacon Act**”). Grantee shall comply with PWR, and specifically:
- (i) Determine when PWR or Davis-Bacon Act apply.
  - (ii) Require its contractors and subcontractors to pay the applicable PWR or Davis-Bacon Act rates.
  - (iii) Comply with all other Oregon Bureau of Labor and Industries (“BOLI”) requirements, including on all contracts and subcontracts and in filing separate public works bonds with the Construction Contractors Board.
  - (iv) Pay to BOLI, within the required timeframe and in the appropriate amount, the project fee required by OAR 839-025-0200 to 839-025-0230, including any additional fee that may be owed upon completion of the Project.
  - (v) Unless exempt under Section 17(2) of Oregon Laws 2021, chapter 678, if Grantee is a “public body” and the Project is a “qualified project,” as those terms are defined in Section 17(3) of Oregon Laws 2021, chapter 678, Grantee shall require each contractor in a contract with an estimated cost of \$200,000 or greater to:
    - (a) Enter into a project labor agreement that, at a minimum, provides for payment of wages at or above the prevailing rate of wage.
    - (b) Employ apprentices to perform 15 percent of the work hours that workers in apprenticeable occupations performed under the contract, in a manner consistent with the apprentices’ respective apprenticeship training programs.
    - (c) Establish and execute a plan for outreach, recruitment and retention of women, minority individuals and veterans to perform work under the contract, with the aspirational target of having at least 15 percent of total work hours performed by individuals in one or more of those groups.
    - (d) Require any subcontractor with a subcontract has an estimated cost of \$200,000 or greater to perform the requirements set forth in subparagraphs a, b, and c above.

(vi) Grantee represents and warrants that it is not on the BOLI current List of Contractors Ineligible to Receive Public Works Contracts and that it will not contract with any contractor on this list.

- 4.7. Records Maintenance, Access.** Grantee shall maintain all financial records relating to this Agreement in accordance with generally accepted accounting principles. In addition, Grantee shall maintain any other records, books, documents, papers, plans, records of shipments and payments and writings of Grantee, whether in paper, electronic or other form, that are pertinent to this Agreement, in such a manner as to clearly document Grantee's performance. All financial records, other records, books, documents, papers, plans, records of shipments and payments and writings of Grantee whether in paper, electronic or other form, that are pertinent to this Agreement, are collectively referred to as "Records." Grantee acknowledges and agrees that OHA and the Secretary of State's Office and the federal government and their duly authorized representatives will have access to all Records to perform examinations and audits and make excerpts and transcripts. Grantee shall retain and keep accessible all Records for the longest of: (i) six (6) years following final payment and termination of this Agreement; (ii) the period as may be required by applicable law, including the records retention schedules set forth in OAR Chapter 166; or (iii) until the conclusion of any audit, controversy or litigation arising out of or related to this Agreement.
- 4.8. Inspections; Information.** Grantee shall permit OHA and any party designated by OHA: (i) to inspect the Project; and (ii) to inspect and make copies of any accounts, books and records, including, without limitation, Grantee's records regarding receipts, disbursements, contracts, investments and any other related matters.
- 4.9. Professional Responsibility.** A professional engineer or architect, as applicable, registered and in good standing in Oregon, will be responsible for the design and construction of the Project. All service providers retained for their professional expertise must be certified, licensed, or registered, as appropriate, in the State of Oregon for their specialty. Grantee shall follow standard construction practices, such as bonding requirements for construction contractors, requiring errors and omissions insurance, and performing testing and inspections during construction. Grantee's signing of this Agreement serves as a certification that Grantee will comply with these responsibilities.
- 4.10. Disclaimer of Warranties; Limitation of Liability.** Grantee acknowledges and agrees that:
- 4.10.1.** OHA makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the Project or any portion of the Project, or any other warranty or representation.
- 4.10.2.** In no event are OHA or its agents liable or responsible for any direct, indirect,

incidental, special, consequential or punitive damages in connection with or arising out of this Agreement or the existence, furnishing, functioning or use of the Project.

**5. COVENANTS AND EQUITABLE SERVITUDES TO RUN WITH THE LAND.**

**5.1. Inducement.** Grantee represents, covenants and warrants that the issuance to it of the Grant described herein by OHA is an inducement to Grantee to complete the Project and to operate the Project in accordance with this Agreement. In consideration of the issuance of the Grant, Grantee has entered into this Agreement and has agreed to restrict the operation of and uses to which the Project can be put on the terms and conditions set forth herein. Therefore, Grantee covenants, agrees and acknowledges that OHA has relied on this Agreement in determining to issue the Grant.

**5.2. Covenants; Equitable Servitudes.**

**5.2.1.** OHA and Grantee hereby declare their express intent that throughout the Use Restriction Period the covenants, restrictions, charges and easements set forth herein, including the Use Restrictions, will be deemed covenants running with the Property and will create equitable servitudes running with the Property, and will pass to and be binding upon OHA's and Grantee's successors in title including any purchaser, grantee or lessee of any portion of the Project and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee or lessee of any portion of the Project and any other person or entity having any right, title or interest therein.

**5.2.2.** Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein (other than a rental agreement or lease for a Project unit) will contain an express provision making such conveyance subject to the covenants and restrictions contained herein; provided, however, that any such contract, deed or other instrument will conclusively be held to have been executed, delivered and accepted subject to such covenants, regardless of whether or not such covenants are set forth or incorporated by reference in such contract, deed or other instrument.

**5.2.3.** Any and all legal requirements for the provisions of this Agreement to constitute restrictive covenants running with the Property and applying to the Project as a whole, or to create equitable servitudes with respect to same in favor of OHA, are deemed satisfied in full.

**5.2.4.** The consent of any recorded prior lien holder on the Project, including the Property, is not required in connection with recording this Agreement, or if required, such consent has been or will be obtained by Grantee.

**5.3. Burden and Benefit.**

**5.3.1.** Grantee hereby declares its understanding and intent that the burdens of the covenants and equitable servitudes, including the Use Restrictions, set forth herein touch and concern the Property, and the Project as a whole, in that Grantee’s legal interest in the Project is rendered less valuable thereby.

**5.3.2.** Grantee hereby further declares its understanding and intent that the benefits of such covenants and equitable servitudes touch and concern the Property, and the Project as a whole, by enhancing and increasing the enjoyment and use of the Project by residents, intended beneficiaries (in addition to OHA) of such covenants, reservations and restrictions, and by furthering the public purposes for which the Grant was issued.

**5.4. Right of Modification.** OHA may compromise or waive the terms of this Agreement including, but not limited to the restrictive covenants and equitable servitudes created hereby, as it so determines in OHA’s sole discretion to be to the benefit of OHA, the Project, or OHA efforts to provide or maintain safe and sanitary conditions of the Project. To be effective, any compromise or waiver of this Agreement must be in writing, signed by an authorized OHA representative.

**6. REPORTING REQUIREMENTS.**

**6.1. Quarterly Reports.** Grantee shall prepare and electronically submit written quarterly reports describing the grant activities and progress to OHA substantially in the form provided by OHA. The Contract Administrator will provide instructions for completion and any updates. Grantee must submit to OHA the Quarterly Reports on the following schedule each year of this Agreement until the Completion Date:

<b>Fiscal Quarter</b>	<b>Due Date</b>
First: July 1 – September 30	October 15
Second: October 1 – December 31	January 15
Third: January 1 – March 31	April 15
Fourth: April 1 – June 30	July 15

**6.2. Annual Reports.** After the Completion Date, ongoing Annual Reports must demonstrate Grantee’s compliance with the Use Restrictions through the Use Restriction Period.

**7. GRANTEE STATUS.**

**7.1. Independent Contractor.** Grantee shall perform all obligations under this Agreement and will timely satisfy its obligations hereunder as an independent contractor. Grantee is not an officer, employee or agent of the State, as those terms are used in ORS 30.265 or otherwise, with respect to performance under this Agreement.

**7.2. Grantee Responsible for Insurance Coverage.** Grantee agrees that insurance coverage,

whether purchased or by self-insurance, for Grantee's agents, employees, officers and/or subcontractors is the sole responsibility of Grantee.

**7.3. Non-Federal Employment Certification.** Grantee certifies that it is not employed by or contracting with the federal government for performance covered by this Agreement.

**7.4. Good Standing Certification.** Grantee certifies to the best of its knowledge and belief that neither Grantee nor any of its principals, officers, directors or employees:

(i) Is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any state or federal department or agency;

(ii) Has within a three (3) year period preceding this Agreement been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract related to a public transaction; violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

(iii) Is presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in subsection (d)(ii) of this Section;

(iv) Has within a three (3) year period preceding this Agreement had one or more public transactions (federal, state or local) terminated for cause or default; and

(v) Is included on the list titled "**Specially Designated Nationals and Blocked Persons**" maintained by the Office of Foreign Assets Control of the United States Department of the Treasury and currently found at:

<https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>

## **8. EVENTS OF DEFAULT.**

**8.1. Default by Grantee.** Each of the following will be an event of default (each, an "**Event of Default**") under this Agreement:

(i) Grantee institutes or has instituted against it, insolvency, receivership or bankruptcy proceedings, makes an assignment for the benefit of creditors, or ceases doing business on a regular basis;

(ii) Grantee no longer holds a license or certificate that is required for Grantee to perform its obligations under this Agreement and Grantee has not obtained such license or certificate within fourteen (14) calendar days after OHA's notice or such longer period as OHA may specify in such notice;

(iii) Grantee fails to return Misexpended Funds or Unexpended Funds in accordance with this Agreement;

(iv) Grantee commits any material breach or default of any covenant, warranty, obligation or agreement under this Agreement, fails to perform any obligation under this Agreement within the time specified herein or any extension thereof, or so fails to pursue performance of any obligation as to endanger Grantee's performance under this Agreement in accordance with its terms, and such breach, default or failure is not cured within fourteen (14) calendar days after OHA's notice, or such longer period as OHA may specify in such notice;

(v) Grantee fails to disclose any fact material to the making of the Grant to Grantee, or upon discovery by OHA of any misrepresentation by, or on behalf of, or for the benefit of Grantee;

(vi) Construction on the Project is discontinued or prohibited for at least thirty (30) consecutive days, or the Project is abandoned; or

(vii) Grantee fails to diligently pursue the Project.

**8.2. Default by OHA.** OHA shall be in default under this Agreement if OHA commits any material breach or default of any covenant, warranty, or obligation under this Agreement, and such breach or default is not cured within thirty (30) calendar days after Grantee's notice or such longer period as Grantee may specify in such notice.

## **9. RIGHTS AND REMEDIES ON EVENT OF DEFAULT.**

**9.1. OHA's Remedies for Grantee's Default.** Upon the occurrence of an Event of Default and at any time thereafter, OHA may, at its option, exercise any one or more of the following rights and remedies at law or in equity, including, but not limited to:

(i) termination of this Agreement as set forth herein;

(ii) withholding all or part of the Grant funds not yet disbursed by OHA to Grantee;

(iii) initiation of an action or proceeding for damages, specific performance, or declaratory or injunctive relief; or



- (iv) exercise of its right of recovery of Misexpended Funds or Unexpended Funds.

These remedies are cumulative to the extent the remedies are not inconsistent, and OHA may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever.

**9.2. Grantee's Remedies for OHA's Default.** In the event OHA terminates this Agreement or in the event OHA is in default and whether or not Grantee elects to exercise its right to terminate this Agreement, Grantee's sole remedy will be a claim for payment of Grant funds for costs or expenses incurred and for which payment is authorized by this Agreement. In no event shall OHA be liable to Grantee for any expenses related to termination of this Agreement or for anticipated profits or loss, consequential or punitive damages.

## **10. TERMINATION.**

**10.1. Termination.** OHA may terminate this Agreement in whole or in part, without further liability and without impairment of its remedies, effective upon delivery of written notice to Grantee, under any of the following conditions:

- (i) If OHA fails to receive funding, appropriations, limitations, allotments or other expenditure authority sufficient to allow OHA, in the exercise of its reasonable administrative discretion, to pay the Grant funds to Grantee as set forth in this Agreement;
- (ii) If federal or state laws, regulations, rules or other requirements are modified or interpreted in such a way that the intended use of Grant funding for the Project is no longer allowable or appropriate or the Project is no longer eligible for the Grant funding identified in this Agreement from the planned funding source(s) or if OHA is determined by its legal counsel or otherwise to lack or to have lost the authority to administer the Program;
- (iii) If any authority required by law or regulation to be held by Grantee to complete the Project ends for any reason; or
- (iv) If Grantee is unable or fails to commence the Project within six (6) months from the date of this Agreement.

**10.2. Repayment.** If this Agreement or any part hereof, terminates prior to the term of the Use Restriction Period, Grantee will, within thirty (30) calendar days of written demand for repayment, repay the Grant multiplied by a fraction, the numerator of which is 20 minus the number of full years that the Project has been in compliance with this Agreement, including the Use Restrictions and a denominator of 20.

## 11. GENERAL PROVISIONS.

### 11.1. Compliance with Applicable Laws and Requirements.

**11.1.1. Compliance.** Grantee shall comply, and shall ensure that the Project complies, with the Program Requirements, including but not limited to all federal, state and local laws, regulations, codes, ordinances, and orders applicable to the Project.

**11.1.2. Contracts; Subcontracts.** Grantee shall ensure that all contracts and subcontracts related to the Project or this Agreement comply with the Program Requirements, including containing a provision to that effect therein.

**11.1.3. Endurance of Obligations.** Grantee will remain fully obligated under the provisions of the Agreement notwithstanding its designation of any third-party or parties for the undertaking of all or any part of the Project with respect to which Grant funding is being provided by OHA.

**11.1.4. Prohibition on Supplanting.** Grant funds may not supplant or replace other funds that have been contracted for the same purpose. Grantee shall ensure that the activities provided under this Agreement will be in addition to, and not in substitution for, comparable activities.

**11.2. Indemnity.** Grantee assumes sole liability for breach of the conditions of the Grant Agreement (including all terms and conditions of this Agreement) by Grantee or any of its officers, agents, employees, and assigns. Grantee will save, hold harmless, indemnify and defend the State of Oregon, OHA and their officers, agents, employees, members and assigns, from all suits, actions, claims, losses or damages, liabilities, costs and expenses of whatsoever nature, kind or description, including attorney fees (collectively, “Claims”) related to the Grant, the Project, this Agreement or resulting from or arising out of the acts, omissions, neglect or misconduct of Grantee or its subcontractors, agents, or employees under this Agreement or related to the Grant, Project, to the extent permitted by law. Neither Grantee nor any attorney engaged by Grantee may defend any Claim in the name of the State of Oregon (including any agency of the State of Oregon), nor purport to act as legal representative for the State of Oregon, without first receiving from the Oregon Attorney General, in a form and manner determined appropriate by the Oregon Attorney General, authority to act as legal counsel for the State of Oregon, nor may Grantee settle any Claim on behalf of the State of Oregon without the approval of the Oregon Attorney General. If the State of Oregon assumes its own defense, Grantee will be liable for the attorney fees of the State of Oregon, including but not limited to any fees charged by the Oregon Department of Justice. This Section will survive any expiration or termination of this Agreement.

**11.3. Assignment; Successors and Assigns.** Except as expressly permitted herein, Grantee

shall not assign or otherwise transfer any interest in this Agreement or in Project (other than leases for the residential units in the Project) without the prior written consent of OHA. The provisions of this Agreement are binding upon and will run to the benefit of the Parties to this Agreement and their respective successors and permitted assigns.

- 11.4. Modification; Prior Loan Agreements; Waiver;** This Agreement constitutes the entire agreement between the Parties on the subject matter hereof, and supersedes all prior agreements and understandings relating to such subject matter. No modification or amendment of this Agreement will bind the Parties unless in writing and signed by both Parties, and no waiver or consent will be effective unless signed by the Party against whom such waiver or consent is asserted. Such waiver or consent, if given, will be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements or representations, oral or written, not specified herein regarding this Agreement.
- 11.5. Records Maintenance.** Grantee shall retain and keep accessible all books, documents, papers, and records that are directly related to this Agreement, the Project, or the Grant until the date that is three years following the later of the final maturity or earlier retirement of all of the Bonds (including the final maturity or redemption date of any obligations issued to refund the Bonds) or such longer period as may be required by other provisions of this Agreement or applicable law.
- 11.6. Severability.** If any term or provision of this 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 will not be affected, and the rights and obligations of the Parties will be construed and enforced as if the Agreement did not contain the particular term or provisions held to be invalid.
- 11.7. Time of the Essence.** Time is of the essence in the performance by Grantee of the terms of this Agreement.
- 11.8. Notice.** Except as otherwise expressly provided in this Agreement, any notices required or permitted to be given under this Agreement will be given in writing, by personal delivery, or mailing the same, postage prepaid, to OHA or Grantee at the following addresses:

**OHA:** Oregon Health Authority  
Behavioral Health Division  
500 Summer St SE, E86  
Salem, Oregon 97301

**Grantee:** Marion County Health and Human Services  
3160 Center St. NE  
Salem, OR 97301

Attention: Ryan Matthews, Administrator  
Telephone: 503-361-2670  
Email: [rmatthews@co.marion.or.us](mailto:rmatthews@co.marion.or.us)

- 11.9. Survival; Remedies Not Exclusive; Non-Waiver.** Provisions of this Agreement which by their nature are intended to survive termination of this Agreement and the Use Restriction Period will survive. These provisions include, but are not limited to, the covenants of Grantee under this Agreement related to the tax-exempt status, if any, of the Bonds, until the Bonds (including the final maturity or redemption date of any obligations issued to refund the Bonds) are no longer outstanding. Furthermore, such remedies will not be exclusive and are in addition to any other rights and remedies available at law, in equity or otherwise. No failure of or delay by OHA to enforce any provision of this Agreement will constitute a waiver by OHA of that or any other provision, nor will any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege.
- 11.10. Attorney Fees.** Subject to Article XI, Section 7, of the Oregon Constitution, in the event a lawsuit or other proceeding is instituted regarding this Agreement, the prevailing party in any dispute arising under this Agreement will, to the extent permitted by law, be entitled to recover from the other(s) its reasonable attorney fees and all costs and disbursements incurred at trial, in mediation, and on appeal. Reasonable attorney fees will not exceed the rate charged to OHA by its attorneys. This provision does not apply to lawsuits or other proceedings instituted or maintained by or against tenants or other third-party beneficiaries hereunder, if any, for which lawsuits or other proceedings no award of attorney fees is permitted.
- 11.11. Construction.** The Parties to this Agreement acknowledge that each Party and its counsel have participated in the drafting and revision of this Agreement. Accordingly, the Parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not apply in the interpretation of this Agreement or any amendment, modification, supplementation or restatement of the foregoing or of any exhibit to this Agreement.
- 11.12. Captions.** The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Agreement.
- 11.13. Execution and Counterparts.** This Agreement may be executed in several counterparts, each of which will be an original, all of which will constitute but one and the same instrument.
- 11.14. Governing Law; Venue: Consent to Jurisdiction.** This Agreement will be governed by the laws of the State of Oregon without regard to principles of conflicts of law. Any

claim, action, suit or proceeding (collectively, “Claim”) related to this Agreement will be conducted exclusively within the Circuit Court of Marion County, Oregon (unless Oregon law requires that it be brought and conducted where the real property is located) or, if necessary, the United States District Court for the District of Oregon. In no event will this provision be construed as a waiver by OHA or the State of Oregon of any form of defense or immunity, whether it is sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. OHA and the State of Oregon expressly reserve all sovereignty rights. GRANTEE, BY EXECUTION OF THIS AGREEMENT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.

**11.15. Merger Clause.** This Agreement constitutes the entire agreement between the Parties on the subject matter hereof. No modification or amendment of this Agreement will bind either Party unless in writing and signed by the Parties (and the necessary approvals obtained), and no waiver or consent will be effective unless signed by the Party against whom such waiver or consent is asserted. Such waiver or consent, if given, will be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements or representations, oral or written, not specified herein regarding this Agreement.

**11.16. No Limitations on Actions of OHA in Exercise of Its Governmental Powers.** Nothing in this Agreement is intended, nor will it be construed, to in any way limit the actions of OHA in the exercise of its governmental powers. It is the express intention of the Parties that OHA will retain the full right and ability to exercise its governmental powers with respect to Grantee, the Project, this Agreement, and the transactions contemplated by this Agreement and the Program Requirements to the same extent as if it were not a Party to this Agreement or the transactions contemplated hereby, and in no event will OHA have any liability in contract arising under this Agreement, the Program Requirements, or otherwise by virtue of any exercise of its governmental powers.

(Signatures on following pages)

IN WITNESS WHEREOF, OHA and Grantee have caused this Agreement to be signed by their duly authorized officers on the Effective Date.

**OHA:**

**STATE OF OREGON**, acting by and through its Oregon Health Authority

Signed by:  
*Michael Kincaid*  
By: 7ED81A9FAB44413...  
Mick Kincaid,  
Director of Business Operations

STATE OF OREGON )  
: ss  
COUNTY OF MARION )

This instrument was acknowledged before me this 17 day of APRIL 2025, by Michael Kincaid Director of Business Operations for and on behalf of the State of Oregon, acting by and through its Oregon Health Authority.



DocuSigned by:  
*Lisa Espinosa*  
627119CB01BB483...  
Notary Public for the State of Oregon  
My Commission Expires: JANUARY 5, 2027

**Marion County:**

By: \_\_\_\_\_  
Kevin Cameron, County Commissioner

By: \_\_\_\_\_  
Danielle Bethell, County Commissioner

By: \_\_\_\_\_  
Colm Willis, County Commissioner

STATE OF \_\_\_\_\_ )  
  : ss  
County of \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2025 by Kevin Cameron, Danielle Bethell, Colm Willis. County Commissioners of an Oregon public municipality who executed the foregoing instrument for and on behalf of Grantee.

\_\_\_\_\_  
NOTARY PUBLIC FOR \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**ADDITIONAL SIGNATURES FOR  
BEHAVIORAL HEALTH INVESTMENTS PROJECT - HE-6609-25  
between  
MARION COUNTY and OREGON HEALTH AUTHORITY**

**MARION COUNTY SIGNATURES**

Authorized Signature:	<small>DocuSigned by:</small> <i>Ryan Matthews</i> <small>7D26A707656F458...</small>	4/18/2025
	Department Director or designee	Date
Authorized Signature:	<small>DocuSigned by:</small> <i>Jan Fritz</i> <small>DC16351248DE4EC...</small>	4/21/2025
	Chief Administrative Officer	Date
Reviewed by Signature:	<small>Signed by:</small> <i>Scott Norris</i> <small>00C98A6F708240B...</small>	4/21/2025
	Marion County Legal Counsel	Date
Reviewed by Signature:	<small>DocuSigned by:</small> <i>[Signature]</i> <small>E4592AF8CAA542C...</small>	4/18/2025
	Marion County Contracts & Procurement	Date



**EXHIBIT A**  
**Legal Description (Property Description)**

Lots 3, 6 and 7, Block 9, G.H. JONES ADDITION TO THE CITY OF SALEM, in the City of Salem, County of Marion and State of Oregon.

**Address: 1234 Commercial St SE, Salem, OR 97302**

## EXHIBIT B Project Budget

### Behavioral Health Investments Project Budget HB 5030

*Please input your data/responses into the white cells below*



<b>Grantee Name</b>	Marion County Health and Human Services
<b>Project Name</b>	
<b>Project Address</b>	1234 Commercial St. SE, Salem, OR 97302
<b>Number of Beds</b>	5 Crisis Respite
<b>Number of Units</b>	NA
<b>OHA Grant Total</b>	\$2,937,125.00

DEVELOPMENT COSTS	Budget Amount	Description of intended use
Building / Property Acquisition		
Renovation / Construction	\$2,186,125.00	
Site Improvements / Landscaping		
Permits & Fees ( <i>building permits, zoning fees, etc.</i> )	\$62,000.00	
Architectural & Engineering	\$260,000.00	
Legal Fees		
Closing & Title Insurance		
Insurance – Property & Casualty & General Liability		
Financing Fees		
Developer Fee		
Furniture, Fixtures & Equipment	\$299,000.00	Main office/ lobby furniture (68 workstations), coat racks, chair mats, surge protectors, garbage cans, recycle cans. IT equipment (monitors, printers, phones, as needed). Refrigerator, washer/ dryer, other as needed. Microwaves, vending machines, others as needed. Custodial supplies, soap dispensers, paper towel dispensers, and other dispensers and supplies as needed.
Vehicle(s)		
Other ( <i>please specify - contingent on OHA approval</i> )	\$130,000.00	Install generator to assure no power disruptions, Innova security panic buttons/alarm.com application installation and exterior building signage
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$2,937,125.00</b>	

Other Funding Sources ( <i>specify below - as applicable</i> )	Amount(s)	Notes/Intended Use of Funding
1)		
2)		
3)		
4)		
5)		
6)		
<b>OTHER FUNDING TOTAL</b>	<b>\$0.00</b>	

<b>Total Overall Anticipated Project Cost Upon Completion</b>	\$2,937,125.00
<b>Total OHA Grant</b>	\$2,937,125.00
<b>Total Other Funding</b>	\$0.00
<b>Balance (funding needed to complete project)</b>	\$0.00

**Gap Funding / Cost Overrun Plan**

*\*Describe your plan to cover the balance of project development cost (if applicable) and your plan for unforeseen cost overruns.*