

Declaration of Cooperation

Investment Platform for Economic Development

We, the undersigned, will collaborate on the design, development, and field test of a new system for coordinating multi-stakeholder investments for community economic development priorities. The system, the Investment Platform for Economic Development (IPED), has been initiated to better connect communities with capital providers spanning public, private, and philanthropic funding sources. The following Declaration of Cooperation will be used to guide the pilot implementation of IPED in the Mid-Columbia Economic Development District (MCEDD) for the first year of operation.

The parties agree in principle to the following:

1. Definitions

For purposes of this Declaration of Cooperation, the following terms have the following meanings:

“Investment Platform for Economic Development (IPED)” means a platform intended to improve the strategic deployment of capital into communities by coordinating investment among public, private, and philanthropic capital providers around community prioritized needs.

“Mid-Columbia Economic Development District Pilot (MCEDD Pilot)” means the pilot test of IPED in the five county region that makes up the Mid-Columbia Economic Development District.

“Mid-Columbia Economic Development District (MCEDD)” is a district that includes three counties in Oregon (Hood River, Wasco and Sherman) and two counties in Washington (Klickitat and Skamania).

“Beta Launch Date” means the first date upon which the IPED web application is available for use during the MCEDD Pilot.

“Project Manager” means Caduceus, LLC with Kipp Baratoff as managing member.

2. Investment Platform for Economic Development Description

2.1. IPED is an online collaborative transaction platform enabling community stakeholders and capital providers to effectively communicate and identify community-prioritized investment opportunities, and source capital for projects that span the entire system of economic development needs required for community prosperity.

2.2. IPED utilizes a taxonomy or “system nomenclature” to organize the fundamental aspects of economic development using seven key assets (and their various sub-strategies) vital to healthy community systems. The taxonomy creates a set of standard listing criteria that provides a framework for communities to prioritize investment opportunities and for capital providers to search for investment opportunities.

2.3. A diverse set of stakeholders representing local, state and federal economic development practitioners and capital providers support IPED and believe in its mission to link communities and capital providers on a collaborative transaction platform.

2.4. The success of IPED requires the integration of information technology and civic engagement (e.g. human systems) to meet the needs of all stakeholders.

3. Background

3.1. Historical Overview

In April of 2011 Meyer Memorial Trust (MMT) set out to understand what it could do to make a difference in economic development. After six months of secondary research and conversations with nearly 100 economic development practitioners across Oregon, MMT Fellow Kipp Baratoff learned that

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economic development was exceedingly complex. As an outcome from these conversations he created a nomenclature (see Taxonomy Diagram in section 3.2.2) designed to categorize the different system requirements of economic development that lead to economic vitality. In October of 2011, MMT, in partnership with Oregon Governor Kitzhaber’s Regional Solution Center and the Mid-Columbia Economic Development District (MCEDD), piloted this nomenclature in the MCEDD region to identify opportunities for investment. By January 2012, conversations with approximately another 100 individuals in MCEDD representing over 45 organizations had produced a list of over 100 community prioritized opportunities and an expressed interest by the community and capital providers outside the region for a “tool” to replicate the work to include a larger audience. Between January and April 2012, the MCEDD community and a broad range of capital providers came together to assess the precise need for, level of interest in, and cost of a web application, which later was dubbed the “Investment Platform for Economic Development” (IPED). Community leaders and capital providers engaged in this scoping process included:

Community Leaders:

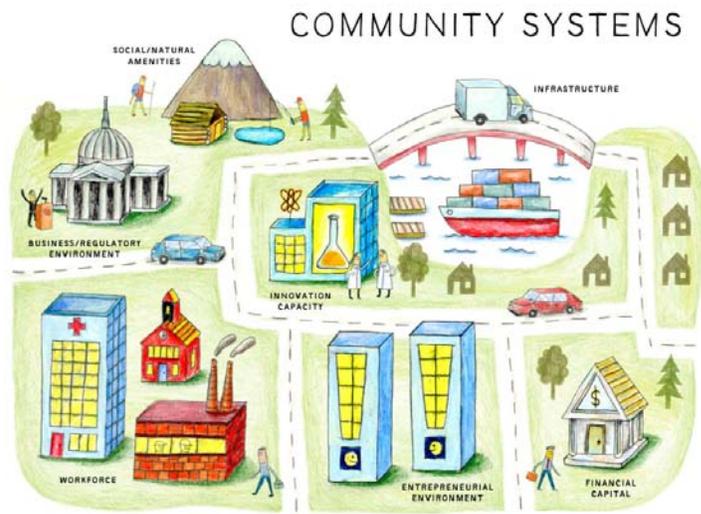
- Amanda Hoey, Executive Director Mid-Columbia Economic Development District
- Nancy White, MCEDD Board Member & President of Custom Interface
- Maui Meyer, Hood River County Commissioner & Regional Solutions Advisory Committee
- Kerry Cobb, Executive Director Hood River Chamber of Commerce

Capital Providers:

- Gregory Chaille, Former President, Oregon Community Foundation
- Jeff Anderson, Chief Operating Officer, Oregon Community Foundation
- Melissa Durham, Director of Strategic Projects, Oregon Community Foundation
- Randell Leach, Senior Vice President and Deputy Chief Credit Officer, One Pacific Coast Bank
- Mary Hanlon, Executive Director, Northwest Community Capital
- Adam Zimmerman, Senior Vice President, Craft3
- Greg Wolf, Intergovernmental and Regional Solutions Director, Governor Kitzhaber
- Lynn Schoessler, Deputy Director, Business Oregon; Director, Infrastructure Finance Authority

3.2. Taxonomy Diagram

3.2.1. View 1 – Visual Overview of 7 Key Assets



Caduceus, LLC © 2012

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3.2.2. View 2 – Database Overview of Key Assets and Sub-Strategies

Key Asset	Sub-Strategies		
Financial Capital	Risk Capital	Access to Banking Services	
	Working Capital		
Entrepreneurial Environment	Cluster development	Entrepreneur Networks	
	Small Biz Dev Services	Incubators and Accelerators	
	Mentoring Programs		
Innovation Capacity	Centers of Knowledge Excellence	Technical Support to Foster Fed R&D	
	Industry-University Partnerships	Private Industry IP	
	IP Licensing Policies		
Biz Environment	Regional Identity and Marketing	Business Community	
	Regulation (cost of doing business)	Business Recruitment/Retention	
Workforce	Health: Physical, Behavioral, Social	Ed Institution and Biz Partnerships	
	Pre-employment Training	Strong Educational Pipeline (K - 20)	
	Placement Programs and Career Ladder	Applied Learning Opportunities	
Infrastructure	Transportation	Housing	
	Energy	Telecom	
	Water/Wastewater	Access to Food	
	Land and Commercial Buildings	Public Safety & Service Buildings	
Amenities	Cultural Amenities	Public Safety and Emergency Services	
	Environmental Amenities	Vibrant Downtown	

3.3. Fundraising

Fundraising for IPED began with a commitment from Meyer Memorial Trust and concluded with a coalition of federal and state entities partnered with Oregon foundations to support the development and promise of IPED. Funding commitments include monies from Meyer Memorial Trust (\$125k), from the Governor’s Strategic Reserve Fund (\$200k), the US Economic Development Administration (\$50k), and the Ford Family Foundation (\$10k).

3.4. The Challenges to Address

The vision for IPED stems from conversations with nearly 200 community leaders and capital providers (as noted in 2.1 above) in Oregon and Washington from the public, private and non-profit sectors. They reported that investment in economic development is currently constrained by geographic separation between communities and the institutions and organizations that deploy capital. They also cited the following challenges:

Capital providers and communities **know** that economic development has...

- Systems Complexity –a multi-dimensional problem where needs constantly shift
- Fragmented Efforts – many stakeholders and capital providers; not often coordinated
- Limited Capital – capital is constrained not only by volume, but also by type

Capital providers and communities **know** assistance is needed to...

- Efficiently communicate community prioritized needs to multiple capital providers
- Improve capital flow to local communities
- Improve capital collaboration between capital providers

In addition to these challenges...

Community leaders indicated interest in:

- A new system for attracting capital to fund prioritized strategic investment opportunities
- Access to a broader set of capital providers
- An outcome-focused gauge of community pulse and interests
-

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- Community-wide understanding of the economic development system as a whole - the comprehensive suite of resources and relationships that create prosperity for communities

Capital providers indicated interest in:

- Insight into organized community needs and priorities
- Expedited sourcing and preliminary vetting of investments
- Shorter timeframes between fund allocation and disbursement
- Knowledge of leverage possibilities with other funders
- More opportunities for capital collaboration

4. Pilot Project Description

4.1. Overview

Over the next 15 months (beginning November 1st, 2012) the undersigned will work together to execute the pilot implementation of IPED in the Mid-Columbia Economic Development District. It is anticipated that the pilot project will include four primary phases (the first of which is already completed). The Project Manager will be responsible for the overall management of the tasks outlined in Table 1 below associated with Phase I, II and III. Additional roles and responsibilities beyond the Project Manager's duties are required to ensure the success of IPED. See Key Roles and Responsibilities outlined in Section 5 below.

In addition to the success of finding strong funding partners, IPED has found a proven information technology provider, Zanbato Group, to help assist with platform development and implementation. Zanbato, based out of Silicon Valley, brings extensive experience developing online platforms for buyers and sellers of infrastructure assets. Their mission is to enhance the speed and efficiency of asset sales and capital raises by building technology to facilitate the work of potential capital providers in transactions. For example, some of their current work includes a partnership with the African Development Bank and the countries in Africa to help them get access to the world's most sophisticated infrastructure investors. Zanbato brings technology and online platform "knowhow" to link buyers and sellers. Combining this knowhow with the economic development landscape taxonomy used for IPED and the undersigned stakeholders creates a powerful foundation for IPED's success.

Finally, as noted in the budget in Section 4.2 below, an Investment Platform Manager will work as a full time employee under the auspices of the Mid-Columbia Economic Development District in order to help facilitate the development and implementation of IPED. The Investment Platform Manager will report directly to the MCEDD Executive Director, Amanda Hoey, who will collaborate with Annette Liebe, Regional Solutions Coordinator for Governor Kitzhaber, on assigning and managing tasks. See Section 5 for further description of the Investment Platform Manager's role.

4.1.1. Fiscal Agent

The fiscal agent for the State contributed funds for this project is the Oregon Solutions Program at Portland State University. In addition, Beverly Stein, Director of Oregon Solutions will advise the Project Manager throughout the project and collect monthly progress reports.

4.1.2. Project Duration

The initial license for IPED will last 15 months beginning November 1, 2012 and ending January 31, 2014. The scope of work outlined below for Phase I, II, and III is estimated to be completed by April 30, 2013. Phase IV is estimated to be completed by January 2014. It is understood by all parties that Phase IV is dependent on the results of Phase II and III, and the scope of work for Phase IV may be further refined at the end of Phase III.

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4.1.3. Work Plan

Table 1: Phase I – IV Work Plan

Key Task	Description	Deliverable	Estimated Completion	Status
MCEDD PILOT PHASE I – July 2012 thru October 2012				
Fundraise	Raise total required funds for MCEDD Pilot project from relevant state and federal agencies and private funders.	Capital raised and ready for disbursement.	NA	Completed
Execute contract with technology partner	Structure and negotiate terms with web-application service provider for IPED development and use.	Fully executed contract.	NA	Completed
MCEDD PILOT PHASE II – November 2012 to February 2013 (estimate)				
Execute Declaration of Cooperation	Execute a Declaration of Cooperation between key public & private operating stakeholders regarding MCEDD Pilot and IPED statewide replication.	Fully executed Declaration of Cooperation.	January 2013	In Process
Oversee technology partner until Beta Launch Date	Work with technology partner to customize / develop IPED platform via a step-wise iterative work plan through three rounds of meetings that integrate feedback from key community and capital provider stakeholder groups.	Achieve beta launch date.	February 2013	In Process
MCEDD PILOT PHASE III – February 2013 thru April 2013 (estimate)				
Advise MCEDD/RSC FTE on community process	Work with FTE hired by MCEDD to document community process required to use IPED.	Document outlining community process.	April 2013	Not started
Build community and capital provider support.	Meet with community members and capital providers as needed to develop support for use of IPED.	25 projects and 25 capital providers on platform.	April 2013	Not started
Contemplate design of self-supporting revenue model for IPED.	Work with technology partner, community members, and funding stakeholders to contemplate design of self-supporting revenue model for IPED that works for all, including long-term governance.	Render written opinion regarding IF and HOW a self-supporting revenue model works.	April 2013	Not started
MCEDD PILOT PHASE IV –April 2013 thru January 2014 (estimate - DRAFT)				
Secure full funding for one project.	Use IPED to secure full funding for 1 project 12 months from the Beta Launch Date in Phase II. The project must be a priority to the community and demonstrate capital collaboration between at least 2 funders.	TBD	TBD	Not started
Continued Use and Refinement of IPED platform	Continue to build community and capital provider user base. Contemplate statewide roll-out if warranted based on results of Phase II and Phase III.	TBD	TBD	Not started

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4.2. Key Project Goals and Measures of Success

- IPED platform that is operational within four months of signing license agreement with technology partner
- Signed Declaration of Cooperation by stakeholders in the pilot region
- 25 capital providers registered to use the system by the end of the pilot
- 25 project listings by the end of the pilot
- 1 project fully funded 12 months from the Beta Launch Date
 - ✓ must be a priority to community
 - ✓ must demonstrate capital collaboration between at least 2 funders
- Evaluation of potential for and design of self-supporting revenue model for IPED

5. Key Roles and Responsibilities

5.1. All – General Responsibilities of All Undersigned Parties

- Provide constructive feedback on system design and functionality during the design, development, and field testing of the IPED web application throughout the one-year pilot phase.
- Attend stakeholder meetings regarding IPED development and implementation.
- Acquire familiarity with IPED and be able to promote it within communities and among capital providers.
- Create user account within IPED to explore system capability (i.e. use IPED) during pilot.
- Act in accordance with the Principles of Engagement:
 - ✓ *Transparency*: The parties shall operate with complete transparency, share all requested data with each other, and inform each other of matters each reasonably considers the other will find relevant.
 - ✓ *Attuned communication*: The parties shall strive to communicate deliberately by first perceiving the other, understanding the other, and then responding.
 - ✓ *Emotional Balance*: The parties shall strive to practice emotional balance in all of their business dealings: being able to self-sooth reactionary feelings.
 - ✓ *Insight*: The parties shall strive to make decisions with insight: linking the past, present and anticipated future into a coherent narrative.
 - ✓ *Empathy*: The parties shall communicate with empathy: being able to imagine another person’s mind / or mile in their shoes.
 - ✓ *Response Flexibility*: The parties shall strive to exercise response flexibility in all communications, practicing the ability to pause and evaluate options before responding.

5.2. Project Manager (Caduceus, LLC with Kipp Baratoff as managing partner)

5.2.1. Tasks & Deadlines

See Section 4.1.3

5.2.2. Progress Measures

Monthly progress reports are to be provided to Beverly Stein, Oregon Solutions Director, during Phase I thru Phase III of the work. Stein will provide progress reports to Business Oregon that administers the Governor’s Strategic Reserve Fund.

5.2.3. Other

It is understood by all parties that the Project Manager voluntarily took on the risk of working without remuneration for the four months of July to October of 2012 in order to implement Phase I. During this time period, the Project Manager secured funding for the MCEDD Pilot and executed a contract in good faith with a technology partner. It is understood by all parties that the Project Manager took on this risk with the expectation that should IPED prove to become a commercially viable platform outside of Oregon that it would benefit from that commercialization.

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It is also understood by all parties that the current scope of work for Phase I thru III in Table 1 above is expected be complete within six months – by April 2013 – and the funds slated for project management in the pilot budget (see section 4.2) only cover this six month period. Additional project management requirements for Phase IV will be determined at that the completion of Phase III.

5.3. Amanda Hoey – Mid-Columbia Economic Development District, Executive Director

In her role as Executive Director of the Mid-Columbia Economic Development District, Amanda Hoey shall act as a community ambassador in support of IPED by engaging her Board and co-facilitating the development of the community process required to implement IPED within MCEDD with Annette Liebe. She will do the latter in conjunction with Nancy White, Maui Meyer and the MCEDD Board. She will be responsible for managing the Investment Platform Manager dedicated to the IPED pilot. She will also assist in the sourcing of viable projects, act as a liaison with relevant federal agencies that may have interest in supporting IPED, and manage the relationship with the pilot project's federal funding partner US EDA.

5.4. Maui Meyer – Hood River County Commissioner/RSC Advisory Committee Member

In his role as Hood River County Commissioner and RSC Advisory Committee Member, Maui Meyer shall act as a community ambassador in support of IPED and bring it to the formal attention of the Hood River County commissioners. In addition, he will actively engage with Amanda Hoey, Annette Liebe, Nancy White and the MCEDD Board in the development of the community process required to implement IPED within MCEDD. He will also assist in the sourcing of viable projects.

5.5. Nancy White – CEO, Custom Interface

In her role as CEO of Custom Interface, Nancy White shall act as a community ambassador in support of IPED. In addition, she will actively engage with Amanda Hoey, Annette Liebe, Maui Meyer and the MCEDD Board in the development of the community process required to implement IPED within MCEDD. She will also assist in the sourcing of viable projects.

5.6. Annette Liebe – Regional Solutions Coordinator, Governor Kitzhaber

In her role as Regional Solutions Coordinator for Governor Kitzhaber and staff for the North Central RSC Advisory Committee, Annette Liebe shall act as an ambassador in support of IPED to state agencies and to MCEDD community leaders. She will integrate her work with the North Central RSC Advisory Committee into the IPED platform where possible. In addition, she will work to co-facilitate the development of the community process required to implement IPED within MCEDD with Amanda Hoey. She will do the latter in conjunction with Nancy White, Maui Meyer and the MCEDD Board. She will also assist in the sourcing of viable projects and provide guidance to the Investment Platform Manager with Amanda Hoey.

5.7. Greg Wolf – Intergovernmental and Regional Solutions Director, Governor Kitzhaber

In his role as Intergovernmental and Regional Solutions Director for Governor Kitzhaber, Greg Wolf shall serve as an ambassador for IPED to state agencies and Oregon State offices. In collaboration with Beverly Stein and the Project Manager, he will design and manage the strategy for engaging each of Oregon's state agencies, the governor's office, the treasurer's office, and other relevant state entities as needed. Where and when possible, he will work to ensure that IPED is integrated into the workflow of these parties and other similar state initiatives such as the West Coast Infrastructure Exchange.

5.8. Sayer Jones – Investment Officer, Meyer Memorial Trust

In his role as Investment Officer at Meyer Memorial Trust, Sayer Jones shall serve as an ambassador for IPED to the philanthropic community. He will work to design a process for how IPED will integrate into

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the workflow of Meyer Memorial Trust and share that process with other foundations and philanthropic donors. He will do so in collaboration with Melissa Durham from Oregon Community Foundation.

5.9. Melissa Durham – Director of Strategic Projects, The Oregon Community Foundation

In her role as Director of Strategic Projects as Oregon Community Foundation, Melissa Durham shall serve as an ambassador for IPED to the philanthropic community. She will work with Sayer Jones of Meyer Memorial Trust to design a process for how IPED will integrate into the workflow of foundations (including The Oregon Community Foundation) and share that process with other foundations and philanthropic donors.

5.10. Beverly Stein – Director, Oregon Solutions

In her role as Director of Oregon Solutions, Beverly Stein shall collect monthly progress reports from the Project Manager in order to ensure effective management of the project. In addition, she will provide her expertise in collaboration to any area of the pilot project as needed. She will also serve as an ambassador for IPED to all stakeholders that may benefit from the platform that are not yet on the platform.

5.11. Nico Sand – Co-founder & VP of Client Relations, Zanbato

In his role as co-founder and VP of Client Relations for Zanbato, Nico Sand will coordinate all aspects of Zanbato's engagement in the development and implementation of the IPED platform as determined by the scope of work governed by the contract between Zanbato and the Project Manager. In addition, he will work closely with the project manager to ensure the human systems required for IPED's success are developed. He will also assist the project manager during Phase III on building capital provider and community support for the IPED platform and developing the self-supporting revenue model.

5.12. Dan Settel – Co-Founder and VP of Operations, Zanbato

In his role as co-founder and VP of Operations for Zanbato, Dan Settel has primary product management responsibilities and will coordinate the technology development of the IPED platform. He will respond to feedback from IPED stakeholders and communicate that feedback to Zanbato's engineering team. He will ensure on-time delivery of the scope of work set forth in the contract between the Project Manager and Zanbato. He will also have primary responsibility for training the Investment Platform Manager on new developments added to the IPED platform over time as the platform evolves.

5.13. David Dunford – Manager, Client Relations, Zanbato

In his role as Manager, Client Relations for Zanbato, David Dunford will have primary responsibility for training Investment Platform Managers on the operation of the IPED platform. Additionally, David will assist the Investment Platform Manager in familiarizing community and capital provider stakeholders with the platform and uploading opportunities to the system.

5.14. Lynn Schoessler – Deputy Director, Business Oregon; Director, Infrastructure Finance Authority

In his role as Deputy Director at Business Oregon and Director of the Infrastructure Finance Authority (IFA), Lynn Schoessler will serve as an ambassador for IPED to state agencies and Oregon State offices. In addition, he will work to ensure the IPED integrates into the workflow of Business Oregon and the IFA.

5.15. Aaron James – Investment Platform Manager, MCEDD

In his role as Investment Platform Manager for MCEDD, Aaron James will fulfill the full range of duties described in the job position description for the Investment Platform Manager posted by MCEDD. In summary, these duties represent a variety of tasks required to develop and implement IPED, including but not limited to: work in concert with the Project Manager and Zanbato, train local community leaders on how to use the platform, populate the platform with project information, manage local community

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communications, help document the community process for using IPED, and assist in the analysis of a potential business model for IPED that would work for the local community stakeholders.

5.16. Randell Leach – Chief Credit Officer, One Pacific Coast Bank

In his role as Chief Credit Officer at One Pacific Coast Bank, Randell Leach shall provide guidance on the development of deal profiles relevant to banking institutions. He will also use IPED during the pilot project and report on its utility for One Pacific Coast Bank and other banks.

5.17. Adam Zimmerman – Executive Vice President, Craft3

In his role as Executive Vice President at Craft3, Adam Zimmerman shall provide guidance on the development of deal profiles relevant to community development finance institutions (CDFIs). He will also use IPED during the pilot project and report on its utility for Craft3 and other CDFIs.

We hereby affirm the principles and provisions contained herein and express our forthright intention to fulfill our roles in ensuring the success of this collaboration.

[Signature Pages Below]

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Michael (Kipp) Baratoff
President, Caduceus

1-8-13

Date

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Amanda Hoey
Executive Director, Mid-Columbia Economic Development District

1-8-13

Date

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Maui Meyer
Hood River County Commissioner
Regional Solutions Advisory Council Member

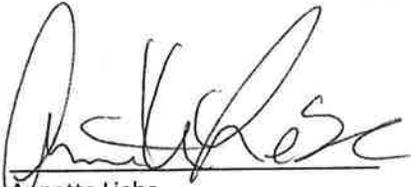
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Nancy White
Nancy White
CEO, Custom Interface

1/8/2013
Date

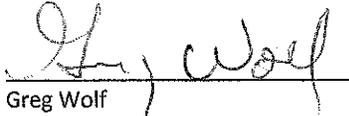
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Annette Liebe
Regional Solutions Coordinator, Governor Kitzhaber

1/8/13
Date

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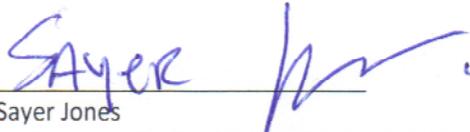


Greg Wolf
Intergovernmental and Regional Solutions Director, Governor Kitzhaber

1/22/13

Date

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Sayer Jones
Investment Officer, Meyer Memorial Trust

11 8 / 13

Date

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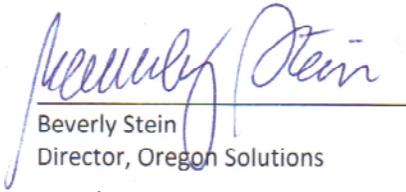
Melissa Durham

Melissa Durham
Director of Strategic Projects, The Oregon Community Foundation

Jan. 8, 2013

Date

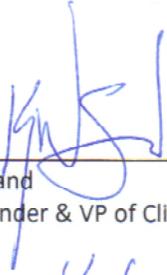
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Beverly Stein
Director, Oregon Solutions

1/8/13

Date

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Nico Sand
Co-founder & VP of Client Relations, Zanbato

8/13

Date

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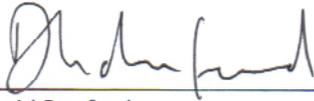


Dan Settel
Co-Founder and VP of Operations, Zanbato

2/1/13

Date

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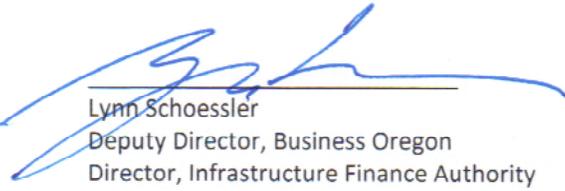


David Dunford
Manager, Client Relations, Zanbato

01-08-13

Date

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Lynn Schoessler
Deputy Director, Business Oregon
Director, Infrastructure Finance Authority

1-8-13
Date

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Aaron James
Investment Platform Manager, Mid-Columbia Economic Development District

1/8/13

Date

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Randell Leach
Chief Credit Officer, One Pacific Coast Bank

2/13/13
Date

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Adam Zimmerman
Executive Vice President, Craft3

1/25/13

Date