

# **COUNCIL WORK SESSION**

Wednesday, September 03, 2025 at 3:00 PM

### **COUNCIL MEMBERS:**

Mayor Jennifer Massey Council President Jessica Chilton Councilor Mark Gundersen Councilor Russell Hubbard Councilor Brandon Sundeen

### **LOCATION & CONTACT:**

HYBRID: Council Chambers & Zoom (details below)
Website | www.sthelensoregon.gov
Email | kpayne@sthelensoregon.gov
Phone | 503-397-6272
Fax | 503-397-4016

# **AGENDA**

### **CALL WORK SESSION TO ORDER**

### **CLEARING CONFUSION AND SETTING THE FACTS STRAIGHT**

1. Response to August 20 Visitor Comments

**VISITOR COMMENTS** - Limited to three (3) minutes per speaker

### **DISCUSSION TOPICS**

- 2. 3:10PM Employee Length of Service Recognition Dan Dieter for 10 Years
- 3. 3:15PM Quarterly Reports from City Departments/Divisions (Informational)
- 4. 3:25PM Annual Report from the St. Helens Senior Center *Senior Center Manager Dinae Monro*
- 5. 3:40PM Discussion regarding the Relationship between St. Helens Sand Island Campground LLC and the City *City Administrator John Walsh and Brad Hendrickson*
- 6. 4:00PM 13 Nights on the River Public Voting Process for Levitt Grant in Partnership with St. Helens Main Street Alliance *Communications Officer Crystal King*
- 7. 4:10PM Review Transfer of Jurisdiction for Portions of Gable Road, Columbia Boulevard, and Bachelor Flat Road *Engineering Manager Sharon Darroux and City Planner Jacob Graichen*
- 8. 4:20PM Review of Erosion Prevention and Sediment Control Code Revisions *Engineering Manager Sharon Darroux*
- 4:30PM Staff Report for 2025 Storm Cleaning & CCTV Project (Informational Only)
- 10. 4:35PM Completion of Purchase & Sale of 1300 Kaster Road to Arcadia Paper Mills, LLC City Administrator John Walsh
- 11. 4:50PM Review Proposed Amendments to Police Sergeant Job Description *Police Chief Matt Smith*
- 12. 5:00PM Review Resolutions Establishing Official Compensation Package for Mayor, Councilors, and Employees City Attorney Ashley Wigod
- 13. 5:10PM Discussion Regarding Oregon Association Chiefs of Police Agency Review *City Attorney Ashley Wigod*

14. 5:25PM - Report from City Administrator John Walsh

### **ADJOURN**

### **EXECUTIVE SESSION**

Following the conclusion of the Council Work Session, an Executive Session is scheduled to take place to discuss:

- Labor Negotiations, under ORS 192.660(2)(d);
- Real Property Transactions, under ORS 192.660(2)(e);
- Exempt Records/Confidential Attorney-Client Privileged Memo, under ORS 192.660(2)(f); and
- Consult with Counsel/Potential Litigation, under ORS 192.660(2)(h).

Representatives of the news media, staff and other persons as approved, shall be allowed to attend the Executive Session. All other members of the audience are asked to leave the Council Chambers.

### FOR YOUR INFORMATION

Upcoming Dates to Remember:

- September 3, 3:00PM, City Council Work Session, Council Chambers/Zoom
- September 3, 6:30PM, City Council Public Hearing, Council Chambers/Zoom
- September 3, 7:00PM, City Council Regular Session, Council Chambers/Zoom
- September 8, 4:00PM, Parks & Trails Commission, Council Chambers/Zoom
- September 8, 7:15PM, Library Board, Zoom
- September 9, 6:30PM, Planning Commission, Council Chambers/Zoom
- September 10, 4:00PM, Joint City Council & Planning Commission, Council Chambers/Zoom

# Future Public Hearing(s)/Forum(s):

- PH: September 3, 6:30PM, Sale of City-Owned Property on Kelly Street described as Tax Account No. 28848

### **VIRTUAL MEETING DETAILS**

Join: https://us02web.zoom.us/j/87369149059?pwd=yx85XfAlIwQul5M4ToaYzEqeEPZseZ.1

Passcode: 592235

Phone one-tap: +17193594580

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to City Hall at 503-397-6272.

Be a part of the vision and get involved...volunteer for a City Board or Commission! For more information or for an application, go to www.sthelensoregon.gov or call 503-366-8217.

# CLARIFICATION MEMO TO PUBLIC COMMENT



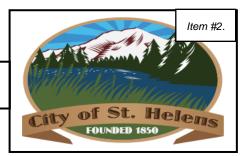
# For City Council Meetings held on September 3, 2025

At the August 20, 2025, Council Meeting, during visitor comment, a citizen raised a concern about whether Ordinance 3310, which expressly delegates duties to the City Administrator, is properly authorized under the City Charter.

- Staff put together the following chronology, that describes the authority of the Charter and the City Council to delegate duties to the City Administrator, including the duties delegated in Ordinance 3310.
  - The Charter was approved by the Voters in 2012.
  - Section 33 of the Charter authorizes the City Council to appoint officers, such as the City Administrator, and delegate duties and authorities to those appointive officers.
  - On March 20, 2019, Resolution 2038 was adopted which updated the authority and duties of the City Administrator.
  - On January 5, 2022, Ordinance No. 3276 was adopted, which codified authority and duties of the City Administrator in the St. Helens Municipal Code;
  - On May 21, 2025, Resolution No. 2038 was adopted, which updated the authority and duties of City Administrator; and,
  - On August 20, 2025, Ordinance No. 3310 was adopted which codified the updated duties of City Administrator in the St. Helens Municipal Code to be consistent with Resolution No. 2038.

One of the specific topics raised in the citizen comment was whether the City Administrator had the authority to sell real property. The authority to purchase or sell real property is not delegated to the City Administrator – and under Ordinance No. 3310 and St. Helens Municipal Code 2.12, City Council must still authorize the City Administrator before the City purchases and sells real property. Council's authorization may include making final negotiations, in substantial accordance with approved terms and conditions.

# **LENGTH OF SERVICE RECOGNITION**



To: Mayor and City Council

From: Kathy Payne, Human Resources Coordinator/City Recorder

Date: September 3, 2025

I am happy to announce that we have one employee who has reached a milestone in their employment with the City of St. Helens. The following individual will be recognized at the September 3 Work Session.

# 10 Years

**Dan Dieter** started working with the City on August 6, 2015 as a Library Assistant where he still serves to this day.

Congratulations Dan and thank you for your service to our community!

# **QUARTERLY REPORT TO COUNCIL**

Meeting Date: September 3, 2025 Prepared by: Matthew Smith

Department: Police

Reporting Period: September 2025

CC: City Administrator John Walsh



# 1. General Operations

There are currently five criminal trials scheduled for the months of September-November, 2025. These trials are related to Rape and Sexual Abuse Investigations that were investigated by the St. Helens Police Department in 2023 and 2024. Detectives are currently working collaboratively with the Columbia County District Attorney's Office in preparation for these upcoming trials.

Sgt. Jose Castilleja graduated from the FBI National Academy in June of 2025. This comprehensive training program is held in Quantico, Virginia and allows students to study a wide variety of topics related to Law Enforcement leadership and management.

St. Helens Police personnel competed "Crafting with a Cop" on June 12, 2025. This activity will become an ongoing partnership with St. Helens Recreation in order to enhance community engagement.

Officers also attended Coffee with a Cop at Avamere Retirement and Assisted Living Facility on June 13, 2025. St. Helens Police Officers brought doughnuts and coffee to the residents. The activity afforded Officers to introduce themselves to residents at the facility and answer their questions on police operations. This too will become an ongoing event at local care facilities to enhance community engagement.

St. Helens Police Officers assisted with the successful competition of the Kiwanis Parade on June 21, 2025. St. Helens Police personnel worked collaboratively with the local Kiwanis on developing and executing a traffic control plan which allowed for the successful completing of the parade. The St. Helens Police Department was assisted by the Columbia County Sheriff's Office during the event. St. Helens Police personnel have already met with parade organizers in preparation of the next parade, scheduled to occur in June of 2026.

St. Helens Police Officers also assisted with extra patrols for the July  $4^{th}$  celebration. Night shift Officers came in early for the event. No major issues were reported.

# 2. Staffing & Personnel

The St. Helens Police Department has successfully hired Payton Rue and Jennifer Stratton as Police Officers. They began their employment in August of 2025. Officer Rue began training at the Oregon State Police Academy on August 25, 2025. Officer Stratton is scheduled to attend the police academy in September of 2025.

The St. Helens Police Department, in coordination with the Human Resource Department, conducted additional interviews of Police Officer applicants on July 7, 2025. Three individuals

successfully completed the process and have accepted conditional job offers. The background investigations for these new applicants are ongoing.

Michelle Williams also joined the St. Helens Police Department in June of 2025. Mrs. Williams filled the vacant Police Records and Evidence position and has acclimated well in her in-house training program.

### 3. Projects & Initiatives

### A. Ongoing Key Projects

- Background Investigations for new Officers: Ongoing. These should be completed in the next 4-5 weeks.
- Field Training of new Officers: Officers Rue and Stratton should complete the police academy during the first quarter of 2026. They will then begin their field training with Field Training Officers. FTEP is structured to be 20 weeks in total. Based on this estimate, Officers Rue and Stratton should complete their field training on April/May, 2026.

## **B. Upcoming Projects**

• Sergeant process: Now that Chief Smith and Lieutenant Treat have secured permanent appointments, two Sergeant positions are now open. In consultation with Human Resources, a process will be initiated shortly to fill one of these open positions.

## 4. Upcoming Events & Important Dates

(Provide information on city-related events, meetings, and deadlines relevant to the department.)

• The St. Helens Police Department has a plethora of trials scheduled over the next 3-4 months. Personnel, in particular Detectives, are preparing for these critical trials.

# **QUARTERLY REPORT TO COUNCIL**

Meeting Date: September 3, 2025

Prepared by: Suzanne Bishop, Library Director

Department: Library Division: N/A

Reporting Period:

CC: City Administrator John Walsh



Due to the lack of a quorum, the August 27 Joint City Council & Library Board meeting was not held. The presentation that Library Director Suzanne Bishop was going to give, is included in this packet for your review and information. No formal presentation will be given.

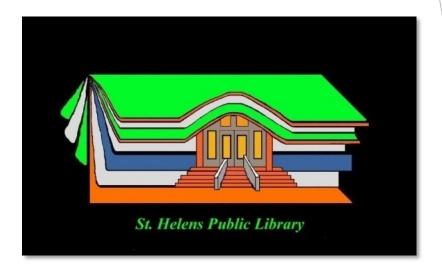
## **Attachments (If Applicable)**

(Attach any supporting documents, reports, or visuals necessary for council review.)

Library PowerPoint Presentation

# St. Helens Public Library

Joint City Council/ Library Board Meeting August 27, 2025



# Updating 2023 - 2028 STRATEGIC PLAN

Goal 1 Develop the Library as the community's "living room."

Goal 2 Engage the community in lifelong learning.

Goal 3 Enhance access to library services.





# **BUILDING USE**

- Total building visits + 25% (June 2025 over June 2024)
- Building hours
  - Monday Thursday, 9:30 am to 7:00 pm
  - Friday, 9:30 am to 5:00 pm
  - Saturday, 9:30 am to 2:00 pm
- Library hours
  - Monday Thursday, 10:00 am to 7:00 pm
  - Friday, 10:00 am to 5:00 pm
  - Saturday, 10:00 am to 2:00 pm
- Wi-Fi 5:00 am to 12:00 am
- Auditorium and Armstrong Room
  - Library-sponsored programs and events
  - Nonprofit organizations, governmental agencies, community events, and private gatherings

# LIBRARY USE June 2025 over June 2024

- + 40% library-only visits
- + 40% patrons/hour
- + 17% new borrowers

# LIBRARY STAFFING PATRON USE REFERENCE

Paid staff per capita*	0.40
Registered patrons	2,923
Percent of population registered	20%
Reference questions answered	684
Number of open hours	2,351.5

\* Based on St. Helens population: 14,371



# LIBRARY RESOURCES

- Spanish translation of library materials
- ▶ 68,826 Items borrowed in FY 2025
- ▶ 42,000+ items owned
- 200+ Library of Things
  - Mobile hotspots, STEAM and robotics, hand tools, Air Fryer, robotics, musical instruments, bicycle repair kit, and much more
- New online resources
  - Ground News, ArtistWorks
- Retiring online resource
  - A to Z Recipes
- Seven public computers
  - Increase in use for job searches and applications, Federal forms, filing court documents, homework, entertainment



# FEDERAL AND STATE FUNDING

- Institute for Museum and Library Services (IMLS) funding for the current fiscal year is ~\$22 million
- President's bill calls for ~\$6 million in Federal FY 2026
- IMLS funds about two thirds of State Library Funding of Oregon
- These funds come to public libraries through Library Services and Technology Act (LSTA) program
- State of Oregon General Fund covers the final one third.
- Effect of IMLS draw down
  - Two thirds of SLO staff laid off
  - Drastic reduction or elimination of most services and products





# BIENNIAL COLUMBIA COUNTY GENEALOGY CONFERENCE

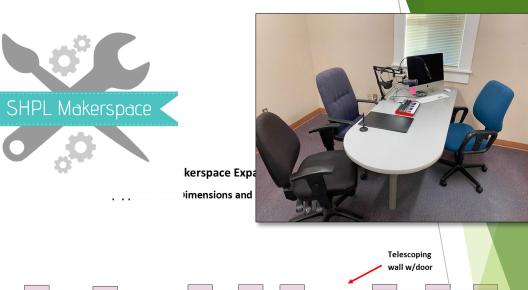
- September 20, 2025
- Two tracks
- Nationally-recognized speakers
- Introduction by Mayor Massey (Tent.)
- Keynote by Councilor Sundeen
- Expecting ~80 participants
- Hybrid

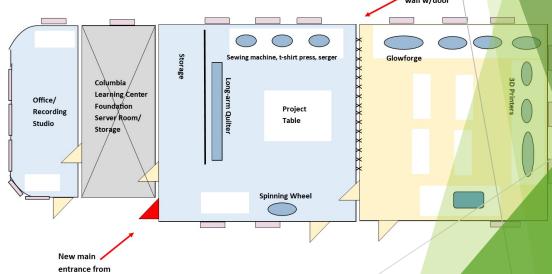
- Expansion
  - Building volunteer cadre
  - Fundraising for flooring, furnishings and equipment
    - ► Elks
    - Private donors
    - Friends of the St. Helens Library
    - ► In-kind gifts
    - Columbia Learning Center board support
  - Popular new uses
    - Youth programs
    - ► Equipment, i.e. long-arm quilter
  - ► Local History Room
    - ► Naming research



· New tile floor

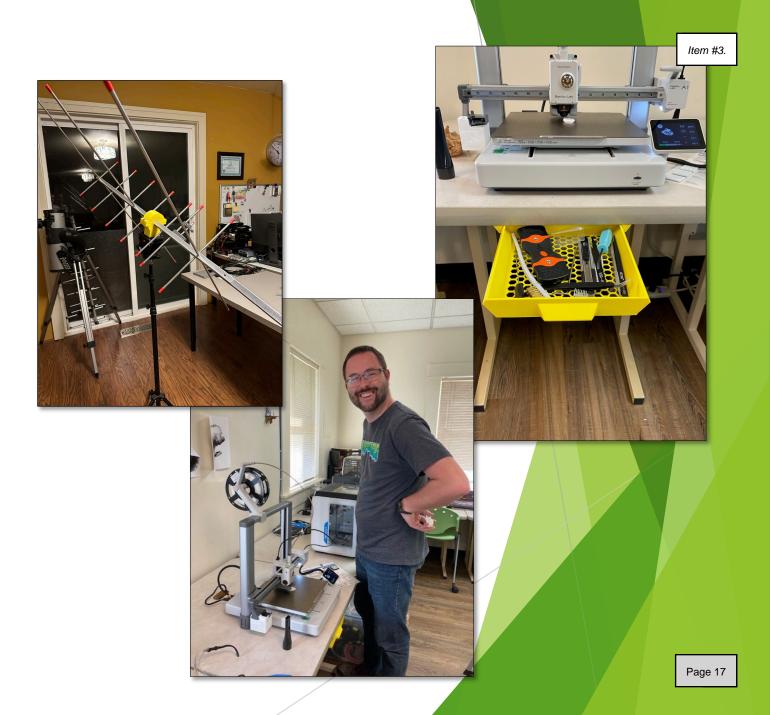
hallway







- 272 users (January April 2025)
  - ▶ 200 adults
  - ▶ 63 ages 5 to 13
  - 9 ages 14 17
- Volunteers
  - Present programs
  - ► Repair and prepare equipment
  - Assist users
- Outreach





# Programming

- Biweekly Maker three-hour open hours
- Biweekly three-hour blocks for half-hour appointments
- Monthly Maker Kids STEAM Wednesday (ages 6 to 10)
- Monthly Junior Makers STEAM Wednesday (ages 10 - 14)
- Monthly Teen Makers STEAM (ages 13 - 17)
- Special Programs



# SEED EXCHANGE

- Partnership with committee of OSU Master Gardeners
- Free seeds to share and take
- Programs seed saving
- In the future
  - Specialized gardens
  - Programs



# PUZZLE EXCHANGE



# **YOUTH SERVICES**

Regular programming

Early literacy for ages birth to 5

Weekly storytimes

► LEGO Free Play

Makerspace

Special programs and events

Summer Library Challenge

Outreach

Schools and Rec programs

Multilingual back-to-school





# **ADULT PROGRAMS**

- Adults and Crafts monthly
- Book Club monthly
- Genial Genealogists bimonthly
- Special programs



# TEEN ADVISORY BOARD

- ► Teen summer intern
- Program training
- Community outreach
- Library project
- Special programs



# RETO DE LECTURA DE VERANO 2025 EVENTOS PARA NIÑOS



# EVENTOS DE VERANO

¡Todos los eventos son GRATUITOS y no requieren tarjeta de la Biblioteca Pública de St. Helens!

KICK-OFF EVENT: PUPPET DANCE PARTY (EVENTO DE INAUGURACIÓN: FIESTA DE BAILE CON TÍTERES)

Miércoles, 18 de junio | 11:00 a.m. - 12:00 p.m. en el patio

BIG MESSY ART (CREACIÓN DE ARTE SIN REGLAS)

Miércoles, 25 de junio | 11:00 a.m. – 12:00 p.m. en el porche

STUFFED ANIMAL SLEEPOVER (PIJAMADA DE PELUCHES)

Miércoles, 2 de julio | 6:00 – 6:30 p.m. en el auditorio

BORDER COLLIE INTERNATIONAL CANINE PERFORMING TEAM (PRESENTACIÓN DE GRUPO INTERNACIONAL CANINO BORDER COLLIE)

Miércoles, 2 de julio | 6:00 – 6:30 p.m. en el auditorio

OMSI PRESENTS ELECTRIFYING SCIENCE (OMSI PRESENTA CENCÍA ELECTRIZANTE)

Martes, 22 de julio 11:00 a.m. – 12:00 p.m. en el auditorio

NATURE SCAVENGER HUNT (BÚSQUEDA EN LA NATURALEZA) Miércoles, 30 de julio | 10:30 a.m. – 11:30 a.m. en el patio

WRAP-UP PARTY: GIANT LAWN GAMES (FIESTA DE FIN DE VERANO: JUEGOS

GIGANTES EN EL PATIO)

Sábado, 9 de agosto | 11:00 a.m. - 12:30 p.m. en el patio

# PROGRAMACIÓN SEMANAL

FAMILY STORYTIME (MEDIA HORA DE CUENTOS PARA FAMILIA) Cada jueves (no hay programa el día 17 de julio) | 11:00 a.m. – 11:45 a.m. en el auditorio

Jueves, 10 de julio | Visita especial del departamento de policía de St. Helens y su patrulla

MAKER MONDAYS (HORAS LIBRES EN EL ESPACIO DE CREACIÓN)

Cada lunes | 11:00 a.m. - 2:00 p.m.

HALF-HOUR MAKER APPOINTMENTS \*\* (CITAS DE MEDIA HORA EN EL ESPACIO DE CREACIÓN\*\*)

Cada jueves | 3:00 p.m. - 6:30 p.m

5

(HORAS LIBRES EN EL ESPACIO DE CREACIÓN)

Cada viernes | (no hay programa el día 4 de julio) | 1:00 p.m. - 4:00 p.m.

\*\* Pre-registración requerida



# SUMMER LIBRARY CHALLENGE (JUNE 14 TO AUGUST 9)

# ► Minutes logged

Youth	74,407
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Teens 33,680

Adults 148,272

# ▶ Registered readers

Youth	274

► Teens 63

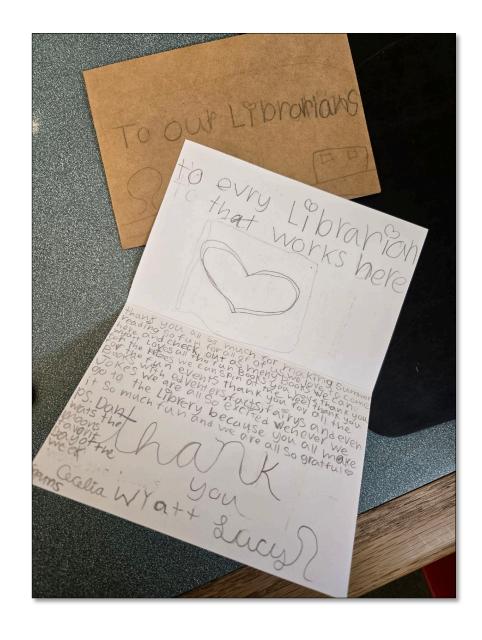
Adults 156





# SUMMER LIBRARY CHALLENGE

- ▶ Reading and activities
- ▶16 programs
  - Escape rooms
  - **▶**Stuffy sleepover
  - ► Giant lawn games
  - **▶**Book Club
  - **▶**Border Collie demonstration
  - ... and more



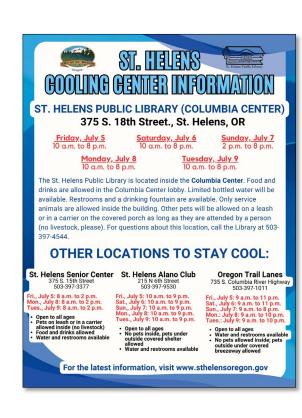
# LIBRARY STAFF

- Library Director (1.0 FTE)
- Patron Services Librarian (1.0 FTE)
- Youth and Makerspace Librarian (1.0 FTE)
- Library Technician cataloging (1.0 FTE)
- 4 Library Assistants (2.0 FTE)



# **SERVICES**

- Cooling Center
- Reader's advisory
- In-depth research
- Homework help
- Employment and business
- Local history
- Active learning
- Community outreach
- Small Business Resources Corner







# LIBRARY BOARD



- ► Fatima Salas, President
- Aaron Martin, Vice President

# Members

- Robert Dunn
- Jay Echternach
- ► Ellen Jacobson
- Jana Mann
- Lynne Pettit
- Erin Wheeldon
- [vacant]





# **VOLUNTEERS IN FY 2025**

- > 39 volunteers
- Logged 1,488 hours
- Value of volunteer time \$32.27/hour -- \$48,017.76
- Non-specialized tasks
  - Makerspace support
  - shelving
  - checks book order on shelves
  - book repair
  - prepares items for use
  - and more

# FRIENDS OF ST. HELENS PUBLIC LIBRARY

- Purchased new Glowforge for Makerspace
- Funded
  - Summer Library Challenge programs
  - Book Club books
  - Genealogy Conference
- Semiannual book sales
- Bookshelves in lobby sales
- Volunteer support for special programs
- Little Libraries
- Donates books to WIC, Broadleaf Arbor, others

# **Officers**

- Nancy Tarnai, President
- Lynne Pettit, Treasurer
- Spencer Jones, Secretary



# **COMMUNITY PARTNERS**

**Small Business** Recreation GRO Greater St. Columbia County Columbia County Youth ERA Development Mental Health **Economic Team Programs** Helens Center Oregon State Columbia County Columbia County Columbia Health Public Health Amani Center Arts Guild **Emergency** Cooperative Services Department Management **Extension Service** Friends of St. St. Helens Public St. Helens Police Columbia Learning **Community Action** Writers Guild Helens Public Library Ukelele Center Board Department Orchestra Library State Library of St. Helens School St. Helens Elks Oregon Library C.E.R.T. Others Lodge #1999 District <u>Oregon</u> Association

### Item #3.

# LOOKING AHEAD

- National Library Card Sign-up Month
- Genealogy Conference
- 250th anniversary celebration
- Columbia County Reads
- Fundraising
  - Local history resources
  - ▶ 2026 summer programs
- Building infrastructure
- New Library of Things items



# **GROUND LEASE**

OF SAND ISLAND MARINE PARK

BETWEEN:

THE CITY OF ST. HELENS, OREGON,
AN OREGON MUNICIPAL CORPORATION

AND:

**ST. HELENS SAND ISLAND CAMPGROUND, LLC**AN OREGON LIMITED LIABILITY COMPANY

DATED:

April 3, 2019

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### **GROUND LEASE**

DATED:	As of April 3, 2019	("Effective Date"

**BETWEEN:** 

CITY OF ST. HELENS, Oregon, an Oregon municipal corporation

("Landlord")

AND

ST. HELENS SAND ISLAND CAMPGROUND, LLC, an Oregon limited liability company ("Tenant")

THIS GROUND LEASE ("Lease") is dated as of the Effective Date and is between Landlord and Tenant.

### **RECITALS:**

- A. Landlord currently owns and operates Sand Island Marine Park, situated on a portion of Sand Island, in the City of St. Helens, county of Columbia, and State of Oregon, and shown on the assessor's map on <a href="Exhibit A">Exhibit A</a> (the entire island, "Sand Island"). Sand Island Marine Park, the portion of Sand Island owned by Landlord, is the western portion of Sand Island (to the west of the mapped line running relatively north-south) marked as "CITY PARK" on <a href="Exhibit A">Exhibit A</a> (collectively with the Existing Improvements, defined below, the "City Park"). The Oregon Department of State Lands ("DSL") owns the balance of Sand Island to the east of the mapped line (the "DSL Uplands").
- B. The City Park is approximately 20 acres in size and currently has 37 campsites, numerous nature trails, the Docks, defined below, and restrooms (along with any other improvements existing at the City Park as of the Effective Date, the "Existing Improvements").
- C. The City Park is accessible via existing concrete boat docks owned by Landlord (the "Docks"). Landlord receives approximately five thousand dollars (\$5,000) annually from the Oregon State Marine Board's Maintenance Assistance Program ("MAP") for maintenance of the Docks and related improvements.
- D. Landlord also owns a 22-foot pontoon boat, including its trailer, engines, and all other appliances, parts, additions, accessories, instruments, components, and other items of equipment installed thereon as of the Effective Date, and all required log books and records (collectively, the "Shuttle Boat") which has been used in the past to provide access the City Park. Landlord desires to transfer the Shuttle Boat to Tenant for use in the Project. Tenant may use the existing Shuttle Boat or a replacement Shuttle Boat to operate the Project.

- E. Tenant is an affiliate of St. Helens Marina, LLC, an Oregon limited liability company ("SH Marina"), which operates a marina across the water of the Columbia River from Sand Island. Tenant will enter into agreements with SH Marina to use the docks and other facilities at SH Marina for the loading, parking, and queuing for the Shuttle Boat operations.
- F. Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, the City Park. Tenant will manage, operate, and maintain the City Park pursuant to the terms of this Lease, including rehabilitating and utilizing the Existing Improvements and installing and maintaining picnic tables, fire rings, and tent pads at each campsite, as needed, operating and maintaining the Shuttle Boat (or a replacement Shuttle Boat) for access to the City Park, and providing additional Parking, defined below (collectively, the "**Project**").

NOW, THEREFORE, for and in consideration of the mutual promises and agreements of Landlord and Tenant set forth in this Lease, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

# ARTICLE 1 THIS LEASE

**1.1** Lease. Subject to the terms and conditions hereof, Landlord hereby leases to Tenant the City Park and Tenant hereby agrees to lease the City Park from Landlord.

## 1.2 Term.

- **1.2.1** This Lease shall become effective on the Effective Date, and, unless earlier terminated in accordance with its terms, shall remain in full force and effect throughout the Initial Term and any Extended Terms, as defined below. The Initial Term and any Extended Terms are collectively referred to as the "**Term**" of this Lease.
- **1.2.2** The "Initial Term" of this Lease shall begin on the Effective Date, and, unless sooner terminated pursuant to the provisions of this Lease, shall continue until the day which is ten (10) years from the Effective Date.
- 1.2.3 Tenant shall have the right to extend the Term for two (2) additional five (5) year periods after the Initial Term (each an "Extended Term"), in accordance with this Section 1.2.3. To exercise its right to extend the Term, Tenant must deliver a written extension notice to Landlord prior to the date which is six (6) months prior to expiration of the then-current Term (the "Extension Notice Deadline"), provided that if a Tenant Default as defined in Section 11 of this Lease exists as of the as of the Extension Notice Deadline, Tenant shall not have the right to extend the Term, even if an extension notice was given before the occurrence of such Tenant Default. The terms of the Lease during any Extended Term will be the same terms and conditions applicable during the Initial Term. If Tenant fails to deliver a written extension notice before the Extension Notice Deadline, or if there is an ongoing Tenant Default as of the Extension Notice Deadline, this Lease will automatically terminate at the expiration of the then-current Initial Term or first Extended Term, as the case may be, Tenant will have no further rights to renew or extend the Term, and this Lease will be of no further force and effect except to the extent that a provision of this Lease provides that it is to survive termination or expiration of this Lease.

- **1.2.4** If Tenant exercises its right to extend the Term for both of the two (2) Extended Terms, Tenant may deliver a written notice (the "Extension/Purchase Notice") to Landlord prior to the date which is six (6) months prior to expiration of the then-current Term (the "Extension/Purchase Notice Deadline") requesting that Landlord, in Landlord's sole and absolute discretion, elect to either:
  - (a) Renew this Lease for an additional period of ten (10) years, which 10-year period will be considered an additional Extended Term for all purposes under this Lease; or
  - (b) Allow this Lease to terminate at the expiration of the then-current Term and, on or before such expiration, pay Tenant the value attributable to Tenant's rehabilitation of the Existing Improvements under Section 2.1 below (the "Tenant Improvements"), the then fair market value of Tenant as a going concern ("Tenant Value"), and the balance of any parking rent credit then due under Section 2.2 below. The value of the Tenant Improvements shall be the fair market value attributable to the rehabilitation (not including the value of the Existing Improvements before rehabilitation) in their then-current condition at the expiration of the Term. Tenant Value shall be determined by using a "capitalization of earnings" approach unless in the below referenced appraiser's professional opinion such approach is not the most accurate valuation method to determine Tenant's then fair market value. Unless otherwise agreed in writing, Tenant Improvements and Tenant Value shall be as determined by an independent thirdparty appraiser agreed upon by both Landlord and Tenant (the "Appraised Value"). Landlord and Tenant shall each bear one-half (1/2) of the cost of the agreed upon appraiser. If Landlord and Tenant cannot agree on an appraiser within ten (10) business days after the date of the Extension/Purchase Notice, Landlord and Tenant must each give written notice to the other appointing an appraiser with at least five (5) years appraisal experience that includes the general geographic area where the Project is located to determine the Appraised Value. If either party does not appoint an appraiser within ten (10) business days after the other party has given notice of the name of its appraiser, the single appraiser appointed will be the sole appraiser and will solely determine the Appraised Value and provide written notice to both parties of such Appraised Value, and Landlord and Tenant shall each bear one-half (1/2) of the cost of the single appraiser. If two appraisers are appointed, the two appraisers will promptly meet or confer and agree upon an Appraised Value and provide written notice to both parties of such Appraised Value, and Landlord and Tenant shall each bear the cost of the appraiser they appointed. If the two appraisers are unable to agree on the Appraised Value within ten (10) business days after the second appraiser has been appointed, the two appraisers will agree upon and appoint a third appraiser to determine the Appraised Value and provide written notice to both parties of such Appraised Value. If three appraisers are used, Landlord and Tenant shall each bear the cost of the appraiser they appointed and one-half (1/2) of the cost of the third appraiser.
- **1.2.5** If a Tenant Default as defined in <u>Section 11</u> of this Lease exists as of the Extension/Purchase Notice Deadline, Tenant shall not have the right to request an extension of the Term or payment for the Tenant Improvements, even if notice was given before the occurrence of such Tenant Default. If Tenant fails to deliver the written notice to Landlord on or before the Extension/Purchase Notice Deadline, or if there is an ongoing Tenant Default as of the

Extension/Purchase Notice Deadline, this Lease will terminate at the expiration of the then-current Term, Landlord shall have no obligation to pay any amount to Tenant for the Tenant Improvements, Tenant will have no further rights to renew or extend the Term, and this Lease will be of no further force and effect except to the extent that a provision of this Lease provides that it is to survive termination or expiration of this Lease.

- **1.3** <u>Use.</u> Tenant shall use the City Park solely for the development, maintenance, and operation of the Project, and for no other purpose without Landlord's written consent, which may be withheld in Landlord's sole and absolute discretion.
- **1.4 Rent.** On or before January 31<sup>st</sup> of each calendar year of the Term (the "**Rent Due Date**"), Tenant covenants to pay to Landlord in an amount equal to ten percent (10%) of Tenant's Gross Income, as defined below, in the prior calendar year (the "**Rent**"). The payment of Rent shall be sent to Landlord at City of St. Helens, P.O. Box 278, St. Helens, Oregon 97051, or at such other address or bank account as Landlord shall specify from time to time in a written notice to Tenant. Each payment of Rent shall be accompanied with the Gross Income Statement, defined below. No security deposit is required from Tenant and Landlord is not holding and Tenant funds.
- 1.4.2 Definition of Gross Income. "Gross Income" means all money and things of value received by, or paid to, Tenant or to others for Tenant's use and benefit, and all credit extended by Tenant, in any way related to the Project or use of the City Park or the Shuttle Boat, including renting campsites, providing transportation, and any other sales of goods or services by Tenant, by an agent of Tenant, or by any concessionaire, subtenant, or licensee of Tenant, and any proceeds ultimately received by Tenant from sales through vending devices; less any lodging taxes or excise taxes collected from customers and for which Tenant is accountable to any government or governmental agency, and less the amount of any actual refunds or credits made by Tenant to customers for returnable merchandise, refundable non-use of campsites, or other commercially reasonable reasons.
- **1.4.3** Gross Income Statement. Simultaneously with the payment of Rent, and on or before the Rent Due Date, Tenant shall deliver to Landlord a complete and correct statement showing in reasonable detail all Gross Income for the immediately preceding calendar year, which statement shall be signed by an officer or authorized agent of Tenant certifying it to be true and accurate, and shall be supported by reasonable documentation (the "Gross Income Statement").
- 1.4.4 Records of Gross Income. Tenant shall keep complete and proper books of account and other records pertaining to Gross Income. The books and records shall be kept or made available at a location reasonably accessible to Landlord, who may inspect all such books and records with reasonable advance notice and at all reasonable times to verify Tenant's Gross Income. Within three (3) years after each payment of Rent is due, whether or not it has been paid, Landlord may request an audit of Tenant's Gross Income by an independent certified public accountant chosen by Tenant from a list of not fewer than three (3) submitted by Landlord in connection with the request. If Tenant does not choose an accountant within five (5) days, after receiving Landlord's list, Landlord may do so. The auditor shall have access to all Tenant's books and records and shall take such steps as the auditor deems necessary to complete the audit. The auditor's report shall be final and binding upon Landlord and Tenant and payments required to make adjustments in Rent to conform to the report shall be made within ten (10) days after receipt of the report. If the Gross Income for any calendar year audited shall be found by the auditor to be understated by more than two percent (2%), Tenant shall immediately pay Landlord the cost of such audit; otherwise, the cost of such audit shall be paid by

Landlord. If Landlord does not request an audit within the subject three (3) year period, Landlord will no longer have the right to request an audit of Tenant's Gross Income Statements for those years for which no audit has been requested.

- **1.4.5** No Partnership Created. Landlord is not by virtue of this Lease a partner or joint venturer with Tenant in connection with the business carried on under this Lease, and Landlord shall have no obligation with respect to Tenant's debts or other liabilities.
- 1.4.6 Taxes and Fees. Rent does not include the payment of any lodging taxes, excise taxes, property taxes, fuel taxes, personal property taxes, any fees or taxes related to the Shuttle Boat, including registration and title fees and licensing fees, permit fees, or any other taxes, assessments, or fees for which Tenant is accountable to any government or governmental agency in connection with this Lease or Tenant's operation of the Project (collectively, "Taxes"). In addition to Rent, Tenant shall pay, before they become delinquent, all such Taxes, provided that Tenant shall have the right in good faith, in a proper procedural manner and at Tenant's sole cost, to contest and resist any Taxes levied against or imposed upon the City Park or Project. Tenant shall defend and indemnify Landlord from any and all such Taxes incurred during the Term.
- **1.4.7** *Utilities.* In addition to Rent, Tenant shall arrange for and pay before they become delinquent all charges for utility services furnished to the City Park or Project, if any, including, but not limited to, electricity, gas, water, sewer, telephone, and trash collection charges. Landlord shall have no responsibility for the payment of these utility costs. Tenant shall defend and indemnify Landlord from all such charges incurred during the Term.
- Tenant Taking City Park and Shuttle Boat "As-Is-Where-Is". Tenant acknowledges (a) Tenant entered into this Lease with the intention of making and relying upon its own investigation of the physical, structural, legal, and, subject to Section 1.6, environmental condition of the City Park and the Shuttle Boat and (b) that except as contained in Article 8, Landlord is not making and has not at any time made any representation or warranty of any kind or nature, either oral or written, directly or indirectly, expressed, implied, statutory or otherwise, with respect to the City Park or the Shuttle Boat. Based on Tenant's familiarity with the City Park and the Shuttle Boat, Tenant's due diligence relating to the City Park and the Shuttle Boat, and Tenant's experience and knowledge as to the market in which the City Park is situated and as to the investment in and operation of commercial real estate and boats, Tenant will take the City Park and the Shuttle Boat on the Effective Date (and, as to the City Park, on an ongoing basis during the Term) in their "AS IS, WHERE IS, AND WITH ALL FAULTS" condition, with existing improvements, and except as contained in Article 8, Without any representation or warranty whatsoever. Except as contained in Article 8, Tenant fully assumes the risk that adverse latent or patent physical, structural, legal, or environmental conditions may not have been and will not be revealed by Tenant's investigations.
- 1.6 Environmental Conditions. Landlord has access to federal grant funding to conduct Phase I and Phase II environmental assessments on the City Park. Within thirty (30) days following the Effective Date, Landlord shall, to the extent of such funding, initiate a Phase I environmental assessment of the City Park ("Phase I") by a suitable, qualified, and experienced environmental engineer reasonably acceptable to Tenant. Landlord shall provide a copy of the Phase I to Tenant when complete. If, in the engineer's reasonable judgment, a Phase II environmental assessment ("Phase II") of any portion of the City Park is recommended, Landlord shall then, to the extent of its federal funding, also obtain a Phase II on the portion of the City Park identified by the engineer as appropriate for Phase II analysis. Should the

Phase II conclude that there are hazardous substances on any portion of the City Park in violation of applicable environmental laws, then Landlord may elect, in its sole and absolute discretion, and at its sole cost and expense, to remove, correct, and remedy any such condition or conditions (the "Remedial Measures"). If Landlord elects to conduct the Remedial Measures, Landlord shall provide Tenant with certification from an environmental abatement firm reasonably acceptable to Tenant that the Remedial Measures have been completed. If Landlord elects not to conduct the Remedial Measures or if the Remedial Measures are not completed prior to the deadline for Landlord's approval of Tenant's Plans as provided in Section 2.3 (the "Remedial Completion Deadline"), then, notwithstanding Section 1.5, Tenant may terminate this Lease by delivering written notice thereof to Landlord; provided, that no termination by Tenant shall be effective if Landlord has commenced the Remedial Measures before the Remedial Completion Deadline and is thereafter diligently pursuing them to completion.

# ARTICLE 2 INITIAL CONSTRUCTION OF THE PROJECT

**2.1** Rehabilitation of Existing Improvements. Tenant shall, at Tenant's sole cost and expense, complete the rehabilitation of the Existing Improvements, including installing or repairing picnic tables, fire rings, and tent pads at each campsite, as needed, on or before the earlier of (a) June 30, 2019 or (b) ninety (90) days following the final approval by the City in its proprietary capacity of the Plans, defined below, if such final approval occurs later than June 30, 2019. The rehabilitation of the Existing Improvements shall include sufficient facilities for reasonable sanitation, such as bathrooms and trash receptacles. Tenant shall have the right to demolish any Existing Improvements (excluding the Docks) provided that Tenant develops and constructs equivalent or better improvements in their place, although not necessarily in the same location if (a) another location at the City Park is superior and (b) Landlord approves such change in writing, such approval not to be unreasonably withheld, conditioned, or delayed. Tenant will manage the construction and rehabilitation process with minimal effect on or effort by Landlord's staff. Tenant will be responsible for all costs related to the Project other than as otherwise explicitly set forth herein.

#### 2.2 Parking.

- 2.2.1 Concurrently with the rehabilitation contemplated by Section 2.1, Tenant shall improve the public right-of-way along River Street near SH Marina's River Street operations in order to provide eight (8) additional striped, paved parking spaces for customers of the Project using the Shuttle Boat or a replacement Shuttle Boat to access the City Park (the "Parking"). Prior to commencing construction of the Parking, Tenant will submit an estimated budget and plans and specifications for the construction of the Parking to Landlord, and Landlord must approve in writing, such approval not to be unreasonably withheld, conditioned, or delayed. The full costs of construction of the Parking will initially be paid for by Tenant, provided that Tenant may submit to Landlord a detailed invoice of the actual, out-of-pocket costs of the Parking construction and, after Landlord's reasonable review and approval of such costs, Tenant shall be entitled to a Rent credit in the amount of fifty percent (50%) of the approved costs. The Rent credit will be applied by Landlord against the next Rent coming due under this Lease until the credit is exhausted.
- **2.2.2** If customer demand for the Project is such that, on average over a calendar month, eight (8) or more campsites are rented each weekend night, Landlord or Tenant may request a meeting with the principals of the other with decision-making authority to discuss any parking issues and potential solutions to such parking issues. Landlord and Tenant then agree to work in mutual

good faith to implement solutions identified in such meeting to any parking issues related to the its operation of the Project, including, without limitation, the creation of additional dedicated public street-side parking and providing and/or leasing parking lots and spaces further away from SH Marina's River Street operations and providing a shuttle to such parking.

- Permits, Licenses, and Plan Approvals. Tenant will provide complete, final plans and specifications for the construction of the Project and the Parking (the "Plans") and cost estimates for construction of the Parking for Landlord's review and written approval, which approval is required prior to Tenant commencing construction. Landlord's approval of the Plans shall not be unreasonably withheld, conditioned, or delayed. Such review will be conducted in Landlord's proprietary capacity, and Tenant acknowledges that such approval will not affect the review of Landlord's regulatory bodies in carrying out their responsibilities and that Landlord is specifically not obligating itself or any other agency with respect to any discretionary or regulatory action relating to the Project. Should Landlord (in its proprietary capacity) and all applicable city-level regulatory bodies not approve the Plans (including River Street Parking) within one hundred and eighty (180) days of their final, complete submission by Tenant, Tenant may, within ten (10) business days thereafter, terminate this Lease by delivering written notice thereof to Landlord. All building permits and other permits, licenses, permissions, consents, and approvals required to be obtained from governmental agencies or third parties in connection with construction of the Project, Parking, and any subsequent improvements, repairs, replacements, or renewals thereto shall be acquired as required by applicable laws, ordinances, or regulations by and at the sole cost and expense of Tenant. Tenant shall cause all work on the City Park, for the Project, and for the Parking to be performed in a good and workmanlike manner and in accordance with all applicable laws, statutes, rules, ordinances, orders, regulations, and requirements of any governmental body, agency, or other public authority having jurisdiction (collectively, "Laws").
- 2.4 Liens. Except as otherwise provided herein, Tenant has no right, authority, or power to bind Landlord or other assets or any interest of Landlord in the City Park for any claim for labor or material or for any other charge, expense, lien, or security interest incurred in connection with the development, construction, or operation of the City Park, Parking, or Project or any change, alteration, or addition thereto. Tenant agrees it will not permit any claim of lien made by any contractor, subcontractor, mechanic, materialman, laborer, or other similar liens to stand against Landlord's fee simple interest in the City Park or Parking for work or materials furnished to Tenant in connection with any construction, improvements, maintenance, or repair thereof made by Tenant or its agents. Tenant shall cause any such claim or lien to be fully discharged within sixty (60) days after the date of filing thereof; provided, however, that if Tenant, in good faith, disputes the validity or amount of any such claim of lien and if Tenant gives to Landlord such security as Landlord may reasonably require to ensure payment thereof and prevent any sale, foreclosure, or forfeiture of the City Park or any portion thereof by reason of such nonpayment, Tenant shall not be deemed to be in breach of this Section 2.4, as long as Tenant is diligently pursuing a resolution of such dispute. Upon entry of final judgment or decision resolving the dispute if litigation or arbitration results therefrom, Tenant shall discharge said lien within thirty (30) days or the day before a foreclosure sale whichever is earlier.

# ARTICLE 3 MAINTENANCE AND OPERATIONS

**3.1** <u>Maintenance and Operation.</u> In connection with the Project, including the City Park, the Shuttle Boat, the Docks, and all appurtenances to any of the foregoing, Tenant shall, at Tenant's sole cost and expense except as otherwise specifically provided herein:

- **3.1.1** Operate in compliance with and adopt rules for use of the Project which are substantially the same as the "State Park Rules," as defined in Oregon Administrative Rule 736-010-0015 or a successor law:
  - **3.1.2** Comply, as applicable, with all MAP program rules, policies, and procedures;
- **3.1.3** Except for as otherwise provided by <u>Section 4.1</u> below, keep and maintain the Project in good and safe order, condition, and repair, including being responsible for any repairs and replacements (whether structural or nonstructural, and whether ordinary or extraordinary) necessary to maintain the Project in good and safe order, condition, and repair and fully in compliance with all Laws, and including the removal of any trash or debris left by customers and the provision of sufficient facilities for reasonable sanitation, such as bathrooms and trash receptacles;
- **3.1.4** Conform to all Laws affecting the Project and promptly correct any failure of compliance. Without limiting the generality of the foregoing, Tenant shall comply with the Americans with Disabilities Act as it applies to the Project and the Occupational Safety and Health Administration (OSHA) as applicable to the Project and to Tenant's employees;
- **3.1.5** Refrain from any activity that would be unreasonably offensive to Landlord or that would tend to create a nuisance or damage the reputation of the City Park, Project, or Landlord;
  - **3.1.6** Manage the Project with minimal effect on or effort by Landlord's staff;
- **3.1.7** Not generate, release, store, or deposit on Sand Island or in the surrounding waters any environmentally hazardous or toxic substances, materials, wastes, pollutants, oils, or contaminants, as defined or regulated by any Law (collectively, "Hazardous Substances"). On a continuous basis during the Term, Tenant shall take all actions necessary to eliminate, remove, remediate, or otherwise clean up any Hazardous Substances not existing at the City Park as of the Effective Date and not thereafter caused by Landlord. Tenant shall indemnify, defend, and hold harmless Landlord from and against any and all claims, losses, damages, response costs, and expenses of any nature whatsoever (including without limitation attorneys', experts', and paralegals' fees) arising out of or in any way related to the generation, release, storage, or deposit of Hazardous Substances on the City Park by Tenant or any other person or entity other than Landlord during the Term, which indemnity shall survive the expiration or earlier termination of this Lease; and
- Comply with the requirements of any agreements and requirements of record on the City Park. To the actual knowledge of Landlord, there are no such agreements or requirements of record that have not been disclosed in writing to Tenant. However, it is the responsibility of Tenant, in accordance with Section 1.5, to review the status of title to the City Park and all liens, claims, encumbrances, easements, rights-of-way, encroachments, reservations, restrictions, agreements, requirements, and all other matters of record affecting the City Park. Tenant may in its sole discretion, before the earlier of Tenant's submission of the Plans in accordance with Section 2.3 or thirty (30) days after the Effective Date (the "Title Review Period"), object in writing to any such matter of record affecting the City Park (a "Title Objection Notice"). If no Title Objection Notice is given during the Title Review Period, Tenant shall be deemed to have approved all such matters of record affecting the City Park. If Tenant gives Landlord a Title Objection Notice during the Title Review Period, Landlord may, but shall not be obligated to, at its cost, cure, remove, or insure around all the objected to matter(s) of record ("Non-Permitted Encumbrances"). Landlord shall give Tenant written notice of its intent to cure, remove, or insure around Non-Permitted Encumbrances within ten (10) Business Days after the Title PAGE 8 - GROUND LEASE - SAND ISLAND MARINE PARK {00837245;11}

Review Period expires. If Landlord does not elect to cause all of the Non-Permitted Encumbrances to be removed, cured, or insured around, then Tenant may either (a) terminate this Agreement by delivering notice to Landlord within ten (10) Business Days after Landlord's notice of its intent; or (b) proceed with the lease of the City Park subject to the Non-Permitted Encumbrances.

- 3.2 Continuous Operations Period and Onsite Host. Tenant shall keep the Project open for business seven (7) days a week during the summer period from the beginning of Memorial Day weekend to the end of Labor Day weekend (the "Summer"). Any failure to operate by Tenant shall be excused to the extent that the use of the City Park is interrupted or prevented by causes beyond Tenant's reasonable control; provided, however, that Tenant's financial condition, poor market demand for the Project, and other economic factors shall not excuse Tenant's obligation to continuously operate during the Summer as required under this section. During the Summer, Tenant will employ an on-site host (a "Host") to live in the City Park and provide information and assistance to customers, manage reservations of campsites, prepare campsites for customers between uses, respond to urgent maintenance needs, monitor and provide security at the City Park, and enforce the State Park Rules. Tenant may, but is not obligated to, operate the Project and provide a Host during periods other than the Summer period.
- **3.3** <u>Customer Rental Rates.</u> Tenant will charge at least thirty dollars (\$30) per night for the rental of a campsite in the Project, which fee shall include one round-trip transportation on the Shuttle Boat (or replacement Shuttle Boat) for up to four (4) people.

# ARTICLE 4 DOCKS AND SHUTTLE BOAT

- 4.1 Maintenance of Docks and Use of MAP Funds. Notwithstanding anything to the contrary in this Lease, Landlord shall be responsible for the maintenance and repair of the Docks. Landlord shall be responsible for making the Maintenance Assistance Program ("MAP") application and entering into the agreements required by Oregon Administrative Rule 250-014-0004 or any successor law. Landlord shall make the MAP applications and enter into the required agreements if and as they are available to Landlord during the Term. If, in any year of the Term, Landlord receives any MAP funds associated with Existing Improvements, other than the Docks, which Tenant is obligated to maintain pursuant to this Lease, such as the restrooms (such portion of MAP funds actually received, the "Tenant MAP Funds"), then Tenant shall be entitled to a Rent credit in the amount of the Tenant MAP Funds. The Rent credit will be applied by Landlord against the next Rent coming due under this Lease until the credit is exhausted.
- **4.2** Operation of Docks. During the Term, Tenant shall be responsible, at its sole expense, for operating the Docks in accordance with (a) Article 3 and other relevant provisions of this Lease, and (b) Chapter 8.28 of the St. Helens Municipal Code, or any successor law.

### 4.3 Shuttle Boat.

**4.3.1** Transfer of Shuttle Boat. Landlord will provide Tenant with access to the Shuttle Boat's current storage location (the "City Boat Storage") upon reasonable advance notice, to be provided by Tenant within the first year of the Term, that Tenant is prepared to remove the Shuttle Boat from the City Boat Storage. Upon removal from City Boat Storage, title to the Shuttle Boat shall vest in Tenant. Landlord will be deemed to have delivered the Shuttle Boat, and Tenant will be deemed to have accepted the Shuttle Boat and be satisfied with the condition thereof as and when the Shuttle Boat is PAGE 9 - GROUND LEASE — SAND ISLAND MARINE PARK {00837245;11}

removed from the City Boat Storage. As further provided in <u>Section 1.5</u>, the Shuttle Boat is transferred to Tenant "AS-IS" and Landlord shall not be deemed to have may any representation or warranty, express or implied, as to the Shuttle Boat.

- Operation, Maintenance, and Storage of Shuttle Boat. Thereafter, Tenant, at 4.3.2 Tenant's sole expense, will ensure the proper operation, maintenance, and storage of the Shuttle Boat, or any replacement Shuttle Boat that Tenant may obtain for use in the Project, at Tenant's sole expense (all references in this Lease to the Shuttle Boat include a reference to such replacement Shuttle Boat, except references related to the initial transfer from Landlord to Tenant) including: (a) licensing of the Shuttle Boat and any operators and the payment of taxes and fees; (b) carrying commercially reasonable insurance for the operation of a shuttle boat; (c) servicing, repair, inspection, or replacements of all or any part of the Shuttle Boat in accordance with the manufacturer's recommended procedures, and by properly trained, licensed, and certificated maintenance sources and maintenance personnel so as to keep the Shuttle Boat, each engine and every component and system of each in good operating condition, ordinary wear and tear excepted; (d) maintaining all records, logs, and other materials in accordance with Law; (e) operating in accordance with all maintenance manuals and any subsequent amendments or supplements to such manuals issued by the manufacturer from time to time; (f) locating and retaining, either through direct employment or contracting with an independent contractor, dulyqualified operators of the Shuttle Boat; and (g) both long- and short-term secure storage in locations selected by Tenant (not at the City Boat Storage). Tenant shall, at Tenant's sole cost and expense, replace or have repaired parts, instruments, appurtenances, accessories, furnishings, and other equipment or components of the Shuttle Boat that may have become worn out, lost, stolen, destroyed, damaged, or otherwise rendered unfit for use for any reason whatsoever. After delivery, Tenant shall have complete and absolute ownership and operational control of the Shuttle Boat and shall maintain possession, command, and control of the Shuttle Boat (as determined by the Internal Revenue Service).
- **4.3.3** Tenant shall operate the Shuttle Boat at all times in accordance with all applicable US Coast Guard regulations and all other applicable Laws.
- **4.4** <u>Legal Title to the Shuttle Boat</u>. Legal title to the Shuttle Boat shall transfer to Tenant upon removal from the City Boat Storage. Within a reasonable time promptly after removal from the City Boat Storage, Tenant shall, at Tenant's sole cost, register and title the Shuttle Boat in Tenant's name.
- 4.5 <u>Shuttle Schedule; Agreements with SH Marina</u>. Tenant will operate the Shuttle Boat to provide transportation to customers of Tenant's operations at the City Park on a regular, established schedule (the "Shuttle Schedule"). In advance of operating under a particular Shuttle Schedule, Tenant will provide Landlord with the proposed Shuttle Schedule, or any changes to an existing Shuttle Schedule, for Landlord's review and written approval prior to commencement of operations under such Shuttle Schedule. Landlord's approval will not be unreasonably withheld, conditioned, or delayed if the proposed Shuttle Schedule is based on actual demand for the shuttle services related to the Project. Tenant will enter into reasonable agreements with SH Marina to use the docks and other facilities at SH Marina for the loading, parking, queuing, and other rights needed for the Shuttle Boat operations. Tenant will provide copies of such agreements with SH Marina to Landlord prior to commencing operation of the Shuttle Boat transportation to Sand Island.

# ARTICLE 5 INSURANCE

- **5.1** <u>Tenant's Insurance.</u> During the Term, Tenant shall keep and maintain in force, at no cost or expense to Landlord, the following insurance, all of which shall be provided by companies licensed to do business in the State of Oregon with a financial rating of at least an A-XIII status as rated in the most recent edition of Best's Insurance Reports:
- **5.1.1** *City Park Insurance*. "All risk" insurance covering all risks of physical loss or damage to the City Park or Project, with liability limits of not less than one hundred percent (100%) of the "full replacement cost" thereof. Such policies shall be broad form and shall include, but shall not be limited to, coverage for fire, extended coverage, vandalism, malicious mischief, and storm. Landlord shall be named as loss payee on such policies.
- **5.1.2** *Commercial Liability Insurance.* General commercial liability and automobile liability insurance, including contractual liability coverage, covering loss or damage resulting from accidents or occurrences on or about or in connection with the City Park, Shuttle Boat, Project, or any work, matters, or things under, or in connection with, or related to this Lease, with personal injury, death, and property damage combined single limit liability of not less than three million dollars (\$3,000,000) per occurrence and three million dollars (\$3,000,000) in the aggregate for all claims, on an occurrence basis, which limit shall be increased as necessary to maintain a similar level of coverage provided on the Effective Date. Coverage under any such policy shall be broad form and shall include, but shall not be limited to, operations, contractual, owner's, and contractor's protective, products, and completed operations, the use of all owned, non-owned, and hired vehicles, and the use and operation of the Shuttle Boat. Contractual liability coverage must be provided in an amount sufficient to insure Tenant's indemnification obligations under this Lease. General commercial liability insurance shall name Landlord as an additional insured. If engaged in the sale or distribution of alcoholic beverages, Tenant shall carry liquor liability insurance in a form and in such amounts as are reasonably satisfactory to Landlord.
- **5.1.3** Worker's Compensation. Adequate workers' compensation insurance coverage for all persons employed at the City Park or in connection with the Project with a waiver of subrogation endorsement in favor of Landlord. Workers' compensation insurance must be in accordance with the requirements of all applicable Laws including ORS 656.017, and should have a limit liability of not less than one million dollars (\$1,000,000).
- **5.1.4** Business Interruption. Business interruption and/or loss of rental income insurance on an actual loss sustained basis for a period of at least twelve (12) months for an amount equal to the Project's total projected gross rental income or other business income. Such rental income or business income coverage shall also include an endorsement providing three hundred sixty-five (365) days extended period of indemnity, if reasonably available.
- **5.1.5** Other Insurance. To the extent available in Oregon, Tenant shall maintain such other insurance of such kinds, and in such amounts, as reasonably may be required from time to time by Landlord in writing during the Term, if such additional insurance is generally consistent, in the reasonable exercise of Landlord's discretion, with the insurance required by real estate owners in the State of Oregon.

- **5.2 General Requirements.** All policies described in <u>Section 5.1</u> shall contain: (a) the agreement of the insurer to give Landlord at least ten (10) days' notice prior to cancellation (including, without limitation, for non-payment of premium) or any material adverse change in said policies; (b) an agreement that such policies (other than Worker's Compensation) are primary and non-contributing with any insurance that may be carried by Tenant or Landlord; (c) a provision that no act or omission of Tenant shall affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained; and (d) a waiver by the insurer of all rights of subrogation against Landlord and its authorized parties in connection with any loss or damage thereby insured against. All policies under described in <u>Section 5.1</u> must contain such endorsements and deductibles as reasonably may be requested by Landlord and the exclusions must be limited to those approved by Landlord, such approval not to be unreasonably withheld, conditioned, or delayed.
- **5.3** Evidence of Insurance. On or before the Effective Date, and again on renewal of the policy not less than twenty (20) days before expiration of the term of the policy, Tenant will provide Landlord with certificates of insurance evidencing all insurance required to be maintained by Tenant under this <u>ARTICLE 5</u>. Additionally, Tenant shall provide Landlord with certificates of insurance, copies of any policies, and evidence of payment of premiums at any time upon the request of Landlord.
- **5.4** Increases in Insurance. Landlord may from time to time, but not more frequently than once every five (5) years, require that the amount of insurance to be maintained by Tenant be increased so that the amount adequately protects Landlord's interest based on amounts of coverage required of comparable tenants in Oregon.

# ARTICLE 6 EXPANSIONS AND DSL UPLANDS

6.1 Expansions at City Park. If the customer demand for the Project exceeds the available facilities (the Existing Improvements, as rehabilitated and maintained in accordance with Article 2 and 3), then Tenant can submit a written request to Landlord to consent to the expansion of the available facilities, including the number of campsites (an "Expansion"), which consent shall not be unreasonably withheld, conditioned, or delayed. Each additional campsite will be accompanied by the construction by Tenant of an additional parking spot (in conformance with the requirements for Parking in Section 2.2, except that such additional parking spots shall be constructed within one (1) mile of SH Marina property) reserved for customers taking the Shuttle Boat. The Expansion proposal shall include sufficient facilities for reasonable sanitation, such as bathrooms and trash receptacles. Such Expansion written request shall include: (a) evidence of the customer demand for the Project necessitating the Expansion, (b) preliminary drawings of the location and size of any Expansion facilities, and (c) the proposed location and design of one (1) additional parking spot per each additional campsite proposed with the Expansion. Landlord will respond within a reasonable time either approving, denying, or requesting modifications to the Expansion request. Tenant may submit a new Expansion written request if the initial written request was denied or modifications were requested. Once a preliminary Expansion request is approved by Landlord, Tenant will proceed to complete design of the Expansion. Tenant will provide complete, final plans and specifications for the construction of the Expansion for Landlord's review and written approval prior to commencement of construction. All such reviews will be conducted in Landlord's proprietary capacity, and Tenant acknowledges that such approval will not affect the review of Landlord's regulatory bodies in carrying out their responsibilities and that Landlord is specifically not obligating itself or any other agency with respect to any discretionary or regulatory action relating to the Expansion. All building permits and other permits, licenses, permissions, consents,

and approvals required to be obtained from governmental agencies or third parties in connection with construction of the Expansion, and any subsequent improvements, repairs, replacements, or renewals thereto, shall be acquired as required by applicable Laws and at the sole cost and expense of Tenant. Tenant shall cause all work on the Expansion to be performed in a good and workmanlike manner and in accordance with all applicable Laws. Once approved, the Expansion shall be deemed to be part of the Project for all purposes under this Lease.

entering into a lease or license with DSL to use the DSL Uplands (a "DSL Agreement"). The effectiveness of this Lease is not conditioned upon Landlord entering into a DSL Agreement and Landlord may never enter into a DSL Agreement. If Landlord enters into a DSL Agreement which allows subleasing or sublicensing, Landlord shall, within a reasonable time thereafter, offer in writing (the "DSL Offer") to enter into a sublease, sublicense, or other appropriate agreement providing for Tenant's use of the DSL Uplands as part of the Project substantially on the same terms of this Lease (regardless of form, a "DSL Sublease"). Tenant may, in its sole discretion, accept or reject the DSL Offer by delivering written notice to Landlord within fourteen (14) business days of the date of the DSL Offer. Any Tenant improvement or rehabilitation of the DSL Uplands, including additional campsites and associated parking, will be treated as an Expansion under Section 6.1 of this Lease. The DSL Sublease will provide that Tenant must operate the DSL Uplands in accordance with all of the rules, regulations, and obligations imposed by this Lease on the operation of the Project on the City Park, and in accordance with any additional rules, regulations, or obligations set forth in the DSL Sublease or DSL Agreement.

# ARTICLE 7 ESTOPPEL CERTIFICATES

Landlord and Tenant agree that at any time and from time to time upon not less than ten (10) business days' prior written notice by the other party, Landlord or Tenant will execute, acknowledge, and deliver to the other party a statement in writing certifying that: (a) this Lease is unmodified and in full force and effect if such be the case or, if not, the extent to which this Lease has been modified; (b) the date through which the Rent has been paid; and (c) that, to the actual knowledge of the certifier (if such be the case), there is no default, set-off, defense, or other claim against Landlord or Tenant, as applicable, other than those, if any, so specified under the provisions of this Lease or such statement. It is intended that any such statement may be relied upon by any persons proposing to acquire the interest of Landlord or Tenant in this Lease or provide any financing to either party, as the case may be.

# ARTICLE 8 REPRESENTATIONS AND WARRANTIES

- **8.1** Representations and Warranties of Landlord. As an inducement to Tenant to enter into and proceed under this Lease, Landlord warrants and represents to Tenant, as follows, which warranties, representations, and covenants are true and correct as of the Effective Date, to the actual knowledge of Landlord:
- **8.1.1** The execution and delivery of this Lease and the performance of all of Landlord's obligations under this Lease have been or will be duly authorized by all necessary agency or other action, and the consummation of any such transactions with or on behalf of Landlord will not constitute a breach or violation of, or a default under, the charter, bylaws or other governing documents

of Landlord or any agreement by which Landlord or the City Park is bound, nor constitute a violation of any Law, administrative regulation, or court decree;

- **8.1.2** Landlord has received no written notice and has no knowledge, nor has Landlord been otherwise advised, of any pending or threatened taking relating to all or any part of the City Park;
- **8.1.3** Except as disclosed to Tenant in writing prior to the Effective Date, the City Park has not been used for any activities that, directly or indirectly, involve the use of any Hazardous Substances in violation of applicable Law. Landlord has not received any notice, written or oral, of (i) any violation of any applicable Law relating to environmental or health matters on or about the City Park; (ii) any allegation that, if true, would contradict any statement contained in this Lease; or (iii) the existence of any writ, injunction, decree, order, judgment, lawsuit, claim, proceeding or investigation, pending or threatened, relating to the use, maintenance, or operation of the City Park (nor is Landlord aware of a basis for any such notice under (i), (ii), or (iii) above); and
  - **8.1.4** Landlord holds fee title to the City Park.

The "actual knowledge of Landlord" means the actual, objective knowledge on the Effective Date, attributable to the Planning Department of Landlord.

- **8.2** Representations, Warranties and Covenants of Tenant. As an inducement to Landlord to enter into and to proceed under this Lease, Tenant warrants and represents to Landlord, as follows, which warranties, representations, and covenants are true and correct as of the Effective Date:
- **8.2.1** Tenant is duly organized or registered, as applicable, and validly existing and in good standing in the jurisdiction of its formation, and is duly registered to do business in every jurisdiction where such registration is necessary;
- **8.2.2** Tenant has taken all requisite limited liability company or other action to approve the execution, delivery, and performance of this Lease;
- **8.2.3** Each individual executing this Lease is authorized to execute and deliver this Lease on behalf of Tenant and this Lease constitutes a binding obligation of Tenant;
- **8.2.4** Tenant has the right, power, and authority to enter into this Lease and the right, power, and authority to comply with the terms, obligations, provisions, and conditions contained in this Lease; and
- **8.2.5** The execution and delivery of this Lease by Tenant into this Lease and the performance of all of the terms, provisions, and conditions contained herein will not, or with the giving of notice or the passage of time, or both, would not, violate or cause a breach or default under any or Tenant's organizational documents, or any other agreements to which Tenant is a party or by which it is bound, nor constitute a violation of any Law, administrative regulation, or court decree.

## ARTICLE 9 EMINENT DOMAIN

- **9.1** Total Condemnation. If the whole of the City Park (or such portion of the City Park as renders it infeasible, in Tenant's reasonable discretion, for Tenant to continue to operate and maintain the Project), shall be appropriated or condemned under power of eminent domain during the Term, Tenant reserves unto itself the right to prosecute its claim for an award for damages for the termination of this Lease caused by such appropriation or taking, together with damages based on the value of Tenant's Project on the City Park and damages Tenant may sustain caused by such appropriation and taking of, or the injury to, Tenant's leasehold interest. Landlord shall be entitled to prosecute its claim for the fee interest in the City Park, subject to this Lease and damages Landlord may sustain caused by such appropriation and taking of, or the injury to, Landlord's fee interest. In such event, this Lease shall terminate when Tenant can no longer use the City Park in the manner herein intended, as determined by Landlord in its reasonable discretion, or when possession thereof shall be required by the appropriating or condemning authority, whichever shall first occur; but such termination of this Lease shall not preclude nor restrict Tenant's right to an award as herein before provided.
- **9.2** Partial Condemnation. If a part of the City Park shall be taken or condemned under circumstances where Tenant can continue to use the City Park in the manner herein intended, as determined by Landlord in its reasonable discretion, this Lease shall continue in full force and effect and shall terminate only as to that part of the City Park so taken. In that event, Tenant shall, at its own cost and expense, make all repairs to the Project affected by such taking or condemnation to the extent necessary to restore the same to a complete, operating Project. Compensation available or paid to Landlord or Tenant upon such a partial taking or condemnation shall be paid to Tenant to the extent that such compensation is attributable the taking of Tenant's leasehold interest, including the improvements thereon, and the remainder shall be paid to Landlord.
- 9.3 <u>Temporary Taking.</u> If there shall be a temporary taking (any taking existing for one (1) year or less) with respect to all or any part of the City Park or of Tenant's interest in this Lease, then the Term shall not be reduced and Tenant shall continue to pay in full all Rent and other charges required herein, without reduction or abatement thereof at the times herein specified; provided, however, that Tenant shall not be required to perform such obligations that Tenant is prevented from performing by reason of such temporary taking.

# ARTICLE 10 DAMAGE OR DESTRUCTION

- 10.1 <u>Damage or Destruction to Leased City Park.</u> Tenant shall give prompt written notice to Landlord after the occurrence of any fire, earthquake, act of God, or other casualty to or in connection with the City Park, the Project, or any portion thereof (a "Casualty"). Subject to <u>Section 10.2</u>, if during the Term any aspect of the Project shall be damaged or destroyed by Casualty, Tenant shall promptly and with all due diligence, apply for and collect all applicable insurance proceeds recoverable with respect to such Casualty and fully repair or restore the Project.
- **10.2** Right to Terminate. If Tenant shall reasonably determine, by notice to Landlord given within thirty (30) days after receipt by Tenant of any such insurance proceeds, that it is not economically practical to restore the Project (other than the Shuttle Boat) to substantially the same condition in which they existed prior to the occurrence of such Casualty, then Tenant may terminate this Lease as of a date

that is not less than thirty (30) days after the date of such notice. Tenant shall remit all insurance proceeds to Landlord which are attributable to the Existing Improvements and Tenant shall retain all insurance proceeds attributable to the Tenant Improvements.

# ARTICLE 11 EVENTS OF DEFAULT AND REMEDIES

- **11.1 Default by Tenant**. Each of the following is a material default and breach of this Lease by Tenant (a "**Tenant Default**"):
- **11.1.1** Failure to make any required Rent or any other payment as and when due, if the failure continues for a period of ten (10) days after written notice from Landlord to Tenant.
- **11.1.2** Failure to materially comply with any of the covenants or provisions of this Lease, other than those described in <u>Section 11.1.1</u>, if the failure continues for a period of thirty (30) days after written notice from Landlord to Tenant. If the nature of Tenant's default reasonably requires more than thirty (30) days for its cure, Tenant will not be in default if it commences to cure within the thirty- (30-) day period and thereafter diligently pursues its completion.
- **11.1.3** Failure of any of Tenant's representations or warranties to be true in all material respects as of the Effective Date and on an ongoing basis throughout the Term.
- **11.2** Remedies Upon Default by Tenant. Upon any Tenant Default, Landlord may do any or all of the following:
- **11.2.1** Upon ninety (90) day's written notice to Tenant, terminate Tenant's right to possession of the City Park, and this Lease shall terminate on the date specified in the notice. Landlord may re-enter and take possession of and remove, at Tenant's cost and expense, all persons or property and Tenant shall immediately surrender possession of the City Park to Landlord.
- **11.2.2** Maintain Tenant's right to possession, and this Lease shall continue in force whether or not Tenant has abandoned the City Park. Landlord shall be entitled to enforce all of its rights and remedies under this Lease including the right to recover Rent as it becomes due.
  - **11.2.3** Pursue any other remedy available to Landlord under law or equity.

These remedies are not exclusive. This Section 11.2 shall survive the termination of this Lease.

- 11.3 <u>Default by Landlord.</u> Landlord shall be in default of this Lease if Landlord fails to perform any material provision of this Lease it is obligated to perform, or if any of Landlord's representations or warranties were untrue in any material respect as of the Effective Date, and if the failure to perform is not cured within sixty (60) business days after written notice of the default has been given to Landlord by Tenant. If the default cannot reasonably be cured within sixty (60) business days, Landlord shall not be in default of this Lease if Landlord commences to cure the default within such sixty- (60-) business day period and thereafter diligently pursues its completion.
- **11.4** Remedies Upon Default by Landlord. Tenant may, upon Landlord's default, and after written notice and opportunity to cure under Section 11.3, pursue any remedy available to Tenant under

law or equity, subject to the Oregon Tort Claims Act, the Oregon Constitution, all other applicable Law, and to the limitations set forth elsewhere in this Lease.

# ARTICLE 12 QUIET ENJOYMENT AND POSSESSION

- **12.1 Quiet Enjoyment.** Landlord covenants and warrants that Tenant, upon payment of all sums herein provided and upon performance and observance of all covenants herein contained, shall peaceably and quietly have, hold, occupy, use, and enjoy, and shall have the full, exclusive, and unrestricted use and enjoyment of, all of the City Park during the Term subject only to the provisions of this Lease and all applicable Laws.
- 12.2 <u>Inspection.</u> Landlord and Landlord's employees, agents, representatives, and contractors shall have the right to enter the City Park at any time for the purpose of inspecting the condition of the City Park, for verifying compliance by Tenant with this Lease, and for any other reasonable purpose as Landlord may deem necessary or desirable. In the event of an emergency, Landlord, and Landlord's employees, agents, representatives, and contractors, shall have the right but not the obligation to enter at any time and may perform any action related to safety, protection, or preservation of the City Park.

# ARTICLE 13 VACATION OF LEASED CITY PARK

Tenant covenants that upon any termination of this Lease, whether by expiration of the Term or because of any of the conditions or provisions contained herein, Tenant will peaceably and quietly yield and surrender possession of the City Park and Project to Landlord. Upon such termination, Tenant agrees that Landlord will be the sole owner of the Project, including the Tenant Improvements. An action of forcible detainer shall lie if Tenant holds over after a demand for possession is made by Landlord.

ARTICLE 14
RESERVED

ARTICLE 15 TRANSFERS

Tenant shall have no right to transfer any legal or beneficial interest in Tenant's estate hereunder or to assign this Lease without Landlord's prior written consent, which shall be given in Landlord's sole and absolute discretion. Upon the granting of any written consent by Landlord with respect to a transfer by Tenant, the assignee(s) or transferee(s) shall agree to be bound by this Lease.

# ARTICLE 16 GENERAL INDEMNIFICATION

Notwithstanding any other provision of this Lease, Tenant hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to Landlord), Landlord, its officers, commissioners, directors, affiliates, agents, and employees from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses

incurred in connection therewith (including, but not limited to, attorney fees and expenses) arising directly or indirectly out of the acts or omissions of Tenant, its officers, commissioners, directors, affiliates, agents, or employees on or related to the City Park, the Shuttle Boat, or this Lease or the construction or operation of the Project, except to the extent caused by Landlord's gross negligence, bad faith, or intentional misconduct.

# ARTICLE 17 RESERVED

## ARTICLE 18 MISCELLANEOUS PROVISIONS

- **18.1** Entire Agreement, Modifications. This Lease supersedes all prior discussions and agreements between the parties with respect to the City Park, Shuttle Boat, and Project. This Lease contains the sole and entire understanding between the parties with respect to the City Park, Shuttle Boat, and Project, and all promises, inducements, offers, solicitations, agreements, representations and warranties heretofore made between the parties, if any, are merged into this Lease. This Lease shall not be modified or amended in any respect, except by written instrument specifically referencing such a modification or amendment which is executed by or on behalf of the parties in the same manner as this Lease is executed.
- **18.2** Governing Law and Choice of Venue. This Lease, and the rights and obligations of the parties hereunder, shall be governed by and construed in accordance with the substantive laws of the state of Oregon. Any legal action to enforce the terms of this Lease shall be brought in Columbia County, Oregon. The prevailing or non-defaulting party in such action shall be entitled to its attorney fees and costs at the trial court and upon appeal.
- **18.3** <u>Binding Effect.</u> This Lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, successors, administrators, executors and permitted assigns.
- **18.4 Severability.** If any provision or portion of this Lease is held by any court of competent jurisdiction to be invalid or unenforceable, such holding shall not affect the remainder hereof, and the remaining provisions shall continue in full force and effect to the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part hereof, except to the extent the rights and obligations of the parties have been materially altered by such unenforceability.
- **18.5** Further Assurances. From and after the Effective Date, Landlord and Tenant, at the request of the other party, shall make, execute and deliver or obtain and deliver all such affidavits, deeds, certificates, resolutions and other instruments and documents, and shall do or cause to be done all such other things that either party may reasonably require to effectuate the provisions and the intention of this Lease.
- **18.6** <u>Captions.</u> All captions, headings, paragraphs, subparagraphs, letters and other reference captions are solely to facilitating convenient reference to this Lease, shall not supplement, limit or otherwise vary the text of this Lease in any respect, and shall be wholly disregarded when interpreting the meaning of any terms or provisions hereof. All references to articles, sections, subsections, paragraphs, and subparagraphs by number refer to the text of such items as so numbered in this Lease.

- 18.7 Interpretation of Lease. Words of any gender used in this Lease shall be held and construed to include any other gender, and words of a singular number shall be held to include the plural, and vice-versa, unless the context requires otherwise. If a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb). All references to section or subsections shall be deemed to refer to the appropriate section or subsection of this Lease. Unless otherwise specified in this Lease, the terms "herein", "hereof, " "hereinafter", "hereunder" and other terms of like or similar import, shall be deemed to refer to this Lease as a whole, and not to any particular section or subsection hereof. A reference to "includes" or "including" shall mean "includes without limitation" or "including without limitation," as applicable. The word "shall" means mandatory and imperative.
- 18.8 <u>Calculation of Time Periods</u>. Wherever used in this Lease, "business day", whether capitalized or not, means any day other than a Saturday, Sunday, or any other day on which national banks in Portland, Oregon, are not open for business. If a period of time is specified from a given day, or from the day of an act or event, it shall be calculated exclusive of that day. Wherever this Lease refers to a number of days, such number shall refer to calendar days unless business days are specified. If any period of time specified in this Lease ends on a day other than a business day, such period shall be extended to the next following business day.
- 18.9 <u>Exhibits</u>. Each exhibit referred to or otherwise mentioned in this Lease is attached to this Lease and is and shall be construed to be made a part of this Lease by such reference or other mention at each point at which such reference or other mention occurs, in the same manner and with the same effect as if each exhibit were set forth in full at length every time it is referred to and otherwise mentioned.
- **18.10** Rights Cumulative. Except as expressly limited by the terms of this Lease, all rights, powers and privileges conferred hereunder shall be cumulative and not restrictive of those provided at law or in equity.
- **18.11** Notices. All, notices, requests, demands, or other communications required or permitted to be given hereunder shall be in writing and shall be sent, with all applicable postage and delivery charges prepaid, by: (a) certified mail, return receipt requested; (b) Federal Express, or another recognized, reputable overnight courier service; (c) hand delivery by a recognized, reputable courier; or (d) electronic mail if simultaneously sent by another means allowed hereunder, to each party at the addresses set forth below. Any such notice, request, demand or other communication shall be considered given or delivered, as the case may be, on the date of receipt or refusal of delivery. Rejection or other refusal to accept or inability to deliver because of changed address of which proper notice was not given shall be deemed to be receipt of the notice, request, demand or other communication. By giving prior written notice thereof, any party, from time to time, may change its address for notices hereunder. Legal counsel for the respective Parties may send to the other party any notices, requests, demands or other communications required or permitted to be given hereunder by such party.

To Landlord: City of St. Helens

Attn: City Administrator

P.O. Box 278

St. Helens, OR 97051

Email: jwalsh@ci.st-helens.or.us

With a copy to: Radler White Parks & Alexander

Attn: Dina Alexander

111 SW Columbia Street, Suite 1100

Portland, Oregon 97201

Email: dalexander@radlerwhite.com

To Tenant: St. Helens Sand Island Campground, LLC

Attn: Brad Hendrickson, Manager

134 N. River Street

St. Helens, Oregon 97051

With a Copy to: Mark A. Gordon, P.C.

Attn: Mark A. Gordon 1677 St. Helens Street St. Helens, Oregon 97051

Email: mark@markgordonpc.com

**18.12** Counterparts. This Lease may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same agreement. Delivery of a copy or counterpart to this Lease bearing an original signature by PDF transmission or by electronic mail shall have the same effect as physical delivery of the paper document bearing the original signature.

- **18.13** Time of Essence. Time is and shall be of the essence in this Lease.
- **18.14** Recording of Lease. Upon the written request of Tenant, Landlord shall execute and record a memorandum of this Lease in a form approved in writing by Tenant, at Tenant's sole expense.
- **18.15** No Third-Party Beneficiaries. Except to the extent expressly provided in this Lease, this Lease is not intended to confer upon any person other than the parties to this Lease, and their successor and assigns, any rights or remedies under this Lease.
- 18.16 Landlord Acting in Proprietary Capacity. The parties recognize that Landlord must retain its regulatory powers and that Landlord's regulatory bodies, in carrying out their responsibilities, should do so independently without influence by other Landlord officials or employees. This Lease does not restrict the Landlord's staff from performing their usual regulatory review, comment, and advisory functions. Nothing in this Lease shall be construed to limit or affect Landlord's exercise of its police powers. By entering into this Lease, Landlord is specifically not obligating itself or any other agency with respect to any discretionary or regulatory action relating to development or operation of the Project, including, but not limited to, rezoning, variances, environmental clearances, regulatory plan reviews, code compliance, or any other governmental agency approvals or regulatory actions which are or may be required or authorized. When reasonably feasible to do so, Landlord will work in good faith to facilitate the cooperation of, and coordination among, Landlord's staff. Landlord has concluded that the St. Helens public contracting code (Chapter 2.04) and the Oregon Public Contracting Code do not apply to this Lease because it is a contract for the disposal of an interest in real property under St. Helens Municipal Code Section 2.04.050(4). This Section 18.16 shall survive the termination of this Lease.

IN WITNESS WHEREOF, this Lease is made and entered into in multiple original counterparts with the intent it be effective as of the Effective Date notwithstanding the date of execution and delivery.

"LANDLORD"

**CITY OF ST. HELENS**, an Oregon municipal corporation

By: <u>Jul/</u> Name: Rick Scholl Title: Mayor

By:
Name: John Walsh
Title: City Administrator

[Signatures continue on next page]

"TENANT"

## ST. HELENS SAND ISLAND CAMPGROUND, LLC,

an Oregon limited liability company

Name: Brad Hendrickson

Title: Manager

By: Andrew Niemi

Title: Manager

# **EXHIBIT A TO GROUND LEASE City Park Depiction** North 300 17.68 AC. 400 19.64 AC. SAND CITY PARK ISLAND NOTE: WATER LINE & DOCKS PROJECTED FROM 06/29/2000 12:28:25 AERIAL PHOTO EAST LINE DV 54/7 FIRST ST. 1/4 COR. SAND ISLAND

Exhibit A — Page 1 - Ground Lease — Sand Island Marine Park  $\{00837245;11\}$ 

# MINUTES OF THE SPECIAL MEETING OF THE MEMBERS AND MANAGERS OF ST. HELENS SAND ISLAND CAMPGROUND, LLC

The undersigned, being all of the Managers and Members of St. Helens Sand island Campground, LLC, an Oregon limited liability company (the "Company"), acting without a meeting, adopt the following resolutions and take the following Company action effective March 29, 2019:

RESOLVED, that having reviewed the final form of the proposed Ground Lease of Sand Island Marine Park between the City of St. Helens, Oregon as lessor and the Company as tenant ("Lease"), and the Company being ready and able to commence operations, it is deemed appropriate and in the best interests of the Company that it do so and enter into the Lease with the City of St. Helens. The Lease is hereby approved in all respects.

FURTHER RESOLVED, that the Managers of the Company are hereby authorized and directed to execute and deliver the Lease on behalf of the Company.

FURTHER RESOLVED, that after review of the remaining business of the Company since its inception, taking into consideration all books of account, documents, and all agreements, instruments, decisions, transactions, including affiliated transactions, costs, expenses and distributions during and for such period, all acts of the Company, the Managers, and the Members, and each of them, during and for such period are hereby ratified, confirmed, and approved in all respects.

These Minutes may be executed in multiple counterparts, each of which to be considered an original and all of which together to constitute one integrated document. A signed facsimile transmission and any electronic signature affixed hereto is intended to and shall have the same force and effect as an originally signed document and may be used as such for all purposes.

Brad Hendrickson, Manager/Member

Andrew Niemi, Manager/Member

{SHC.spmin.Lease.3/19}

STHEL-8

2019.17

Item #5.

## DATE (MM/DD/

## CERTIFICATE OF LIABILITY INSURANCE THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS

05/05/2021

CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER. IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s) 503-397-0714 CONTACT Ron Schlumpberger PRODUCER
NFP Property & Casualty Svcs PHONE (A/C, No, Ext): 503-397-0714 FAX (A/C, No): 503-397-0674 61 Plaza Square St. Helens, OR 97051 E-MAIL ADDRESS: Ron Schlumpberger INSURER(S) AFFORDING COVERAGE NAIC # INSURER A: National Casualty Company INSURED St. Helens Marina, L.L.C. St. Helens Sand Island Campground LLC INSURER B : INSURER C: 134 N. River Street Saint Helens, OR 97051 INSURER D INSURER E INSURER F **COVERAGES CERTIFICATE NUMBER:** REVISION NUMBER: THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. ADDL SUBR INSD WVD POLICY EFF POLICY EXP TYPE OF INSURANCE **POLICY NUMBER** LIMITS 1,000,000 Х COMMERCIAL GENERAL LIABILITY EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) 100,000 CLAIMS-MADE X OCCUR OMO00029674 05/01/2021 05/01/2022 Υ 10,000 MED EXP (Any one person) 1,000,000 PERSONAL & ADV INJURY s 2.000.000 GEN'L AGGREGATE LIMIT APPLIES PER: GENERAL AGGREGATE \$ 1,000,000 X POLICY PRO-JECT 1100 PRODUCTS - COMP/OP AGG OTHER COMBINED SINGLE LIMIT (Ea accident) **AUTOMOBILE LIABILITY** ANY AUTO BODILY INJURY (Per person) OWNED AUTOS ONLY SCHEDULED AUTOS **BODILY INJURY (Per accident)** PROPERTY DAMAGE (Per accident) HIRED AUTOS ONLY NON-OWNED **UMBRELLA LIAB** OCCUR EACH OCCURRENCE **EXCESS LIAB** CLAIMS-MADE AGGREGATE DED RETENTION \$ WORKERS COMPENSATION AND EMPLOYERS' LIABILITY PER STATUTE ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) E.L. EACH ACCIDENT N/A E.L. DISEASE - EA EMPLOYEE \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) City of St. Helens is an Additional Insured per attached endorsement OM-38 12-15

of yes, describe under DESCRIPTION OF OPERATIONS below

ACORD

CERTIFICATE HOLDER	CANCELLATION
CITYSTH  City Of St. Helens 265 Strand Street ST. Helens, OR 97051	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE RON Schlumpberger

ACORD 25 (2016/03)

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E.L. DISEASE - POLICY LIMIT

STHEL-8

2014.11

OP ID: JE

## CERTIFICATE OF LIABILITY INSURANCE

Item #5.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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2005.60

STHELEN-07

2019 Item



### CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 7/20/2022

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City of St. Helens is named Additional insured as respects to General Liability so long as a written contract or agreement to such exists with the named insured prior to a loss per endorsement OM-38 (12-15) attached. **CERTIFICATE HOLDER** CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. City of St. Helens 265 Strand Street Saint Helens, OR 97051 AUTHORIZED REPRESENTATIVE Ron Schlumpberger

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- 1. Required by the contract or agreement; or
- 2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

AUTHORIZED REPRESENTATIVE

DATE

## INTERGOVERNMENTAL AGREEMENT FOR THE TRANSFER OF JURISDICTION OVER PORTIONS OF GABLE ROAD, COLUMBIA BOULEVARD, and BACHELOR FLAT ROAD

This Agreement is made by and between the City of Saint Helens, Oregon, a municipality (hereinafter referred to as "City"), and Columbia County, a political subdivision of the State of Oregon (hereinafter referred to as "County"), collectively known as the "Parties".

WHEREAS, the City and the County are authorized under the provisions of ORS 190.003 to 190.030, ORS 203.035 and ORS 221.410 to enter into intergovernmental agreements for the performance of all functions that the City or County has authority to perform; and

WHEREAS, ORS 373.260 specifically authorizes the City and the County to enter into agreements for the improvement of county roads located within the corporate limits of a city; and

WHEREAS, the City and the County share a common concern regarding the care and maintenance of County roads located inside the City limits; and

WHEREAS, ORS 373.270 allows for the transfer of jurisdiction over a county road within a city whenever the county governing body deems it necessary, expedient, or for the best interest of the county to surrender jurisdiction over said county road or any portion thereof within the corporate limits of said city, and the governing body of the city deems it necessary or expedient and for the best interests of the city to acquire jurisdiction over said county road or portion thereof to the same extent it has over other public streets and alleys of said city; and

WHEREAS, the following portions of county roads are entirely within the corporate limits of the City:

Gable Road – from Highway 30 to the centerline of Columbia Boulevard;

Columbia Boulevard – from the centerline of Gable Road to the centerline of Sykes Road;

Bachelor Flat Road – from the centerline of Columbia Boulevard to a point 125 feet west of the centerline of Whitetail Avenue (end of sidewalk on the north side of roadway and current city limits); and

WHEREAS, on January 8, 2025 the Board of County Commissions approved Order No. 67-2024 which found it necessary, expedient, or for the best interest of the County to transfer jurisdiction of these portions of Gable Road, Columbia Boulevard, and Bachelor Flat Road to the City, said portions already being entirely within the corporate limits of the City and being of an urban character; and

WHEREAS, the City finds it necessary, expedient, or for the best interest of the City to accept the transfer of jurisdiction of the portions of Gable Road, Columbia Boulevard, and

Bachelor Flat Road after certain improvements, outlined in Exhibit A, are first completed by the County;

NOW THEREFORE, the City and the County hereby agree to the follows:

- 1. The recitals set forth above are true and correct and are incorporated herein by this reference.
- 2. The County shall make certain improvements to portions of Gable Road, Columbia Boulevard, and Bachelor Flat Road, as shown in Exhibit A, which is attached hereto, and is incorporated herein by reference.
- 3. Upon completion of said improvements described in Exhibit A for any road portion therein listed, the City will accept jurisdiction of said road portion and shall thereafter be responsible for the repair, construction, maintenance, improvement, and the levying and collection of assessments therefore, according to applicable law. The City and the County shall act in good faith to expedite the transfer of jurisdiction contemplated herein upon completion of said improvements within four (4) months of their completion.
- 4. For the purpose of this Agreement, said improvements, described in Exhibit A, shall be complete when, upon request of the County, the City inspects the improvements and deems them to be complete, or the City fails to inspect the improvements within sixty (60) days of the County's request.
- 5. This Agreement represents the entire Agreement between the Parties for the transfer of jurisdiction of portions of Gable Road, Columbia Boulevard, and Bachelor Flat Road. No modification of this Agreement shall be effective unless and until it is made in writing and signed by both Parties.
- 6. This Agreement takes effect on the date last signed below.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have caused this instrument to be executed in two counterparts.

CITY COUNCIL FOR	BOARD OF COUNTY COMMISSIONERS	
THE CITY OF SAINT HELENS, OREGON	FOR COLUMBIA COUNTY, OREGON	
By: Jennifer Massey, Mayor	By: Kellie Jo Smith, Chair	
Attested:	Bv:	
City Recorder	By: Casey Garrett, Commissioner	
Date:	By: Margaret Magruder, Commissioner	
	Date:	
Approved as to form:	Approved as to form:	
By: Man	By:	
City Attorney	Office of County Counsel	

### **EXHIBIT A**

The following improvements will be made to Gable Road:

- 1. Uncover and raise storm manhole to the east of the intersection with Columbia Boulevard.
- 2. Replace existing catch basin lid with herring bone pattern (bike-friendly) lid.
- 3. Replace ADA ramp, including truncated dome panel, at SE corner of intersection with Columbia Boulevard.

The following improvements will be made to Columbia Boulevard:

1. No improvements needed.

The following improvements will be made to Bachelor Flat Road:

- 1. Mill and inlay four inches (4") of asphalt from panel transition west of Columbia Boulevard to end of portion.
- 2. Replace sidewalk panel near water meter on NW corner of intersection with Whitetail Avenue.
- 3. Install temporary asphalt transition at end of sidewalk on north side of Bachelor Flat Road (at west end of portion).

## City of St. Helens **ORDINANCE NO. 3314**

AN ORDINANCE REVISING CHAPTER 18.36, ENVIRONMENTAL PROTECTION, EROSION PREVENTION, AND SEDIMENT CONTROL RULES, OF THE ST. HELENS MUNICIPAL CODE TO MEET THE CITY'S REOUIREMENT AS A DESIGNATED MANAGEMENT AGENCY UNDER THE DEQ'S WILLAMETTE BASIN MERCURY TOTAL MAXIMUM DAILY LOAD

WHEREAS, the City of St. Helens became a Designated Management Agency (DMA) under the federal Clean Water Act and the Oregon Department of Environmental Quality (DEQ) Total Maximum Daily Load (TMDL) implementation plan for the Willamette Basin; and

**WHEREAS,** the City of St. Helens, as a DMA, is required under OAR 340-42-080 to prepare and implement the requirements of the Water Quality Management Plan for the Willamette Basin and to reduce mercury pollutant from nonpoint sources to restore and protect water quality in local waterways and the Willamette River; and

WHEREAS, the City's Mercury TMDL plan requires the City to develop procedures for site inspection and enforcement of control measures to ensure sediment and erosion from construction sites and other ground disturbing activities do not contribute pollutants to local waterways and impair water quality; and

**WHEREAS,** Chapter 18.36 of the St. Helens Municipal Code governs erosion control, site development and standards, and is the appropriate chapter to address erosion and sediment control;

## NOW, THEREFORE, THE CITY OF ST. HELENS ORDAINS AS FOLLOWS:

**Section 1.** The above recitations are true and correct and are incorporated by reference.

**Section 2.** The City of St. Helens Municipal Code is hereby amended to adopt revised Article 18.36 (Environmental Protection, Erosion Prevention, And Sediment Control Rules) under Code Chapter 18 (Engineering Standards Manual), as set out in **Exhibit A**, attached hereto, and incorporated herein by this reference.

**Section 3. Severability.** If any section, provision, clause, sentence, or paragraph of this Ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other sections, provisions, clauses, or paragraphs of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be servable. This City Council hereby declares

Ordinance No. 3314 Page 1 that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

**Section 4.** Provisions of this Ordinance shall be incorporated in the St. Helens Municipal Code and the word "ordinance" may be changed to "code", "article", "section", or another word, and the sections of this Ordinance may be renumbered, or re-lettered, provided however that Whereas clauses and boilerplate provisions need not be codified.

**Section 5.** The effective date of this Ordinance shall be 30 days after approval, in accordance with the City Charter and other applicable laws.

Read the first time: September 3, 2025 Read the second time: September 17, 2025

**APPROVED AND ADOPTED** this 17<sup>th</sup> day of September 2025 by the following vote:

Ayes:	
Nays:	
ATTEST:	Jennifer Massey, Mayor
Kathy Payne, City Recorder	

Ordinance No. 3314 Page 2

### Ordinance No. 3314 - Exhibit "A"

## Chapter 18.36

# EROSION PREVENTION AND SEDIMENT CONTROL ENVIRONMENTAL PROTECTION, EROSION PREVENTION, AND SEDIMENT CONTROL RULES

### **Sections:**

18.36.010	IntroductionPurpose.
18.36.020	General policy and intent.
18.36.030	Enforcement Definitions.
18.36.040	Erosion prevention and sediment control.
18.36.050	Erosion prevention and sediment control permit.
18.36.0 <u>6</u> 50	Contaminated soils Erosion prevention and sediment control plan
18.36.070	Erosion prevention and sediment control plan implementation.
18.36.080	Erosion prevention and sediment control plan compliance.
18.36.090	Final stabilization and permit termination.
18.36.100	Enforcement and penalties.
18.36.110	Appeals.

## 18.36.010 **Introduction**Purpose.

This chapter identifies requirements for erosion prevention and sediment control (EPSC). The provisions of this chapter are intended to prevent and reduce adverse impacts to the drainage system and water resources. In combination with other state, federal, and local laws and ordinances, these requirements are intended to protect the beneficial uses of waters within the greater St. Helens service district.

The <u>ceity will-follows</u> the best management practices (BMPs) for EPSC as detailed in the <u>most recent version of the</u> "Erosion Prevention and Sediment Control Planning and Design Manual" issued through Clean\_Water Services of Washington County. (Ord. 2875 Appx. § 810, 2003)

The purpose of this chapter is to minimize the amount of sediment, construction waste, and other pollutants reaching surface waters or entering the public storm drainage system as a result of development, construction, grading, excavating, clearing and any other activity which causes or accelerates erosion. The objective is to prevent erosion and control sediment as a means of maintaining and improving water quality and minimizing water pollution, downstream flooding and wildlife habitat damage.

## 18.36.020 \_\_\_\_General policy and intent.

(1) Temporary and permanent measures shall be taken for all construction and development projects and ground disturbing activities to prevent the adverse effects of site erosion and sediment runoff. The intent behind the required measures is to minimize the amount of sediment and other pollutants reaching waterways, wetlands, and the public storm drainage system, and thus protect the environment during the life of ground disturbing activities and projects. The provisions of this chapter shall apply to land within the City limits regardless of whether that property is involved in a construction or development activity(1) Erosion

Prevention and Sediment Control Policy. This chapter specifies the use of erosion-prevention techniques and sediment control measures. The use of erosion prevention-techniques shall be emphasized, rather than sediment control measures. This shall be especially important on larger construction sites immediately before and during the rainy-season. Erosion prevention techniques are designed to protect soil particles from the force of rain and wind so that they will not erode. These techniques include, but are not limited to, such things as construction scheduling, ground cover, and matting. Sediment control measures are designed to capture soil particles after they have been dislodged and attempt to retain the soil particles on site. These measures include, but are not limited to, silt fences, sediment barriers, and settling basins. Both erosion prevention techniques and sediment control measures have appropriate uses; however, numerous case studies have shown that sediment control measures are less effective in preventing soil movement than erosion prevention techniques.

- (2) The erosion prevention and sediment control measures outlined in this policy are designed to prevent soil particles from being dislodged by the force of water and wind. Erosion prevention measures include strategies such as the proper timing of construction work, limiting the disturbance of ground cover, and protecting soil while it is exposed. Sediment control techniques are designed to capture soil particles after they have been dislodged and retain them on site until they are properly disposed of in accordance with regulations. These measures may include installing and maintaining silt fences, straw wattles, biobag inlet protection, and settling basins. As far as practicable, existing vegetation shall be protected and left in place, in accordance with the clearing limits on approved erosion prevention and sediment control plans. Work areas shall be carefully located and marked to reduce potential damage.
- (3) Where the provisions of this chapter are less restrictive or conflict with comparable provisions of the St Helens Municipal Code (SHMC), regional, state or federal law, the provisions that are more restrictive shall govern. Where this chapter imposes restrictions that are more stringent than regional, state and federal law, the provisions of this document shall govern. Nothing in this chapter shall relieve any person from the obligation to comply with the regulations or permits of any federal, state, or local authority.
- (2) Existing Vegetation. As far as practicable, the existing vegetation shall be protected and left in place, in accordance with the clearing limits on the approved erosion prevention and sediment control plans. Work areas shall be carefully located and marked to reduce potential damage. Trees shall not be used as anchors for stabilizing working equipment.

  Where existing vegetation has been removed, or the original land contours disturbed, the site shall be revegetated, and the vegetation established, as soon as practicable. (Ord. 2875 Appx. § 820, 2003)

### **18.36.030 Definitions Enforcement**.

The following words, terms, and phrases, as used in this chapter, shall have the meanings respectively ascribed to them in this section, unless the context clearly indicates otherwise: Failure to comply with any provision of this chapter or with any term of an erosion prevention and

sedimentation control plan shall be deemed a violation and subject to enforcement action pursuant to applicable city ordinances, resolutions and orders, including all implementing rules and regulations. (Ord. 2875 Appx. § 830, 2003)

- (1) "303(d) Listed Stream" is a stream that has been found to exceed the accepted threshold for one or more specific pollutants, and has received an order from DEQ to address this water quality issue.
- (2) "Applicant" means the owner of real property or the owner's authorized agent, or any person who is to obtain an erosion control permit according to section 18.36.040 in this chapter.
- (3) "Approval" means having received official confirmation by the Director.
- (4) "Authorized agent" means the developer, contractor, engineer, builder, personal representative, or anyone designated by the owner to have control or supervision of a site involving a ground disturbing activity.
- (5) "Best Management Practices" (BMP) means strategies to prevent erosion and control sediment, in addition to other pollutants on construction sites outlined the "Erosion Prevention and Sediment Control Planning and Design Manual" issued through Clean Water Services of Washington County, Oregon.
- (6) "Certified professional" means any person licensed as a civil engineer, architect, landscape architect, or landscape designer who is qualified, in the judgment of the Director to design erosion prevention and sediment control plans or facilities; or any person certified by the State or the International Erosion Control Association as a certified professional in erosion and sediment control; or any person certified by other appropriate national association and who in the judgment of the Director has the knowledge, skills, and abilities to design erosion prevention and sediment control facilities.
- (7) "City" means City of St. Helens.
- (8) "City Official" means a representative of the city.
- (9) "Clearing" means any activity that removes vegetative cover of land.
- (10) "Director" means the Public Works Director or their designee.
- (11) "Drainage course" means any land surface, ditch, waterway, or other feature which serves as a course for the transmission of surface water and stormwater.
- (12) "Erosion" means the wearing away of the ground surface, or the movement, detachment or dislocation and transport of sediment including soil particles by the action of water or wind

- (13) "Erosion Prevention and Sediment Control Permit" means the officially approved document issued by the City required for construction or other activities is likely to cause a temporary or permanent increase of soil erosion from the site.
- (14) "Erosion prevention and sediment control" (EPSC) means measures that prevent or reduce the amount of soil disturbed by erosion, and that prevents or reduces the amount of eroded material leaving the site.
- (15) "Erosion Prevention and Sediment Control Plan" means a set of documents, maps, plans and other information indicating specific measures, sequencing or phasing to be used to control erosion and sediment on a site during and after construction or other ground disturbing activities.
- (16) "Grading" means excavation or fill of material, including the resulting conditions, spoils, or byproducts.
- (17) "Ground disturbing activity" means any activity that exposes or disturbs the earth's surface, potentially leading to soil displacement, vegetation removal, or changes in natural land contours by mechanical equipment, including, but not limited to, grading, excavating, filling, clearing, or working of land.
- (18) "Impervious surface" means any surface that prevents or significantly reduces the infiltration of water into the soil by blocking the natural absorption of rainwater and increasing runoff. This includes but is not limited to materials such as asphalt, concrete, rooftops, or compacted gravel.
- (19) "Perimeter control" means a barrier that prevents sediment from leaving a site by filtering runoff or diverting it to a sediment trap or basin.
- (20) "Prohibited Pollutant" means a prohibited discharge to public sewer systems as pursuant to SHMC 13.14.090.
- (21) "Sediment" means finely divided loose material that can be suspended and transported in water or air and may originate from disturbed soil, landscaping, and construction activities or materials. For the purpose of this ordinance, sediment is considered a prohibited pollutant.
- (22) "Sedimentation" means the process of sediment settling or being deposited after being disturbed and transported by erosion.
- (23) "Site" means a lot or parcel of land or contiguous lots or parcels of land where ground disturbing activities are performed as a single unified operation.

- (24) "Stabilization" means the use of practices that prevent, or reduce to the maximum extent practicable, exposed soil from eroding.
- (25) "Stormwater" means rainwater or melted snow that runs off the surface of the land.
- (26) "Storm drainage system" means all conduits, ditches, gutters, catch basins, or any other facilities convenient or necessary to carry away and dispose of stormwater and subsurface drainage, surface water, or unpolluted surplus water.

#### (27) "Visible or Measurable erosion" means

- (a) Deposits of mud, dirt, sediment, or similar material exceeding one-half cubic foot in volume on public or private streets, adjacent property, or into the storm and surface water system, either by direct deposit, dropping, discharge, or as a result of the action of erosion. One-half a cubic foot of volume weighs approximately fifty pounds and can cover two square feet at a depth of three inches.
- (b) Evidence of concentrated flows of water over bare soils; turbid or sediment laden flows; or evidence of onsite erosion such as rivulets on bare soil slopes, where the flow of water is not filtered or captured on the site.
- (c) Earth slides, mudflows, earth sloughing, or other earth movement, which leaves the property.

#### 18.36.040 Erosion prevention and sediment control.

(1) (1) Application and Purpose.

<u>(1)</u>

(a) (a) It is a city requirement to reduce the amount of sediment and other pollutants reaching the public storm and surface water system resulting from development, construction, grading, excavating, clearing, and any other activity which accelerates erosion, to the limits prescribed in this chapter.

<u>(a)</u>

(b) (b) It is the policy of the city to require temporary and permanent measures for all construction projects ground disturbing activities, as defined in this chapter, to lessen the adverse effects of construction erosion and sediment on the environment. All projects applicable ground disturbing activities shall include properly installed, operated, and maintained temporary and permanent erosion control measures as provided in this section and/or in an approved plan, designed to protect the environment during the term of the project. Additionally, compliance with the measures prescribed in this chapter and/or in an approved plan do not alleviate or diminish the necessity to provide effective and comprehensive erosion prevention and sediment control. These erosion control rules

apply to all properties within the city limits, regardless of whether that property is involved in a construction or development activity.

(b)

- (c) (e) Nothing in this section shall relieve any person of the obligation to comply with the regulations or permits of any federal, state, or local authority.
- (2) (2) Erosion Prohibited.

(2)

(a) (a) Visible or measurable erosion which enters, or is likely to enter, the public or private storm system, surface waters, or other properties, is hereby prohibited, and is a violation of these rulesthis chapter. The owner of the property, permittee under a construction permit, together with any person or persons, including but not limited to the contractor or the engineer causing such erosion, shall be held responsible for violation of these rules:

(a) .

(b) (b) No person shall create physical erosion by dragging, dropping, tracking, or otherwise placing or depositing, or permitting to be deposited, mud, dirt, rock or other such debris upon a public street or into any part of the public storm system, or any part of a private storm system which drains or connects to the public storm system or drains to any surface water within city limits. Any such deposit of material shall be immediately removed using hand labor or mechanical means. No material shall be washed or flushed into any surface water or part of the storm system until all mechanical means to remove the debris have been exhausted and preventative sediment filtration is in place. The owner of the property, permittee, together with any person or persons, including but not limited to the contractor or the engineer who causes such erosion, shall be held responsible for violation of these rules.

(b)

- (c) (e) Excess materials and/or stockpiles shall be removed or tarped during wet weather conditions throughout the entire construction or applicable ground disturbing activities process, including home or building construction.
- (3) Maintenance. The permittee shall maintain the facilities and techniques contained in the approved erosion prevention and sediment control plan so as to continue to be effective during the construction phase, post-construction phase, establishment of permanent vegetation, or any other permitted activity. If the facilities and techniques approved in an erosion prevention and sediment control plan are not effective or sufficient as determined by the city site inspection, the permittee shall submit a revised plan within three working days of written notification by the city. Upon approval of the revised plan by the city, the permittee shall immediately implement the additional facilities and techniques included in the revised plan. In cases where erosion is likely to occur, the city may require the applicant to install interim control measures prior to submittal of the revised erosion prevention and sediment control plan.

- (4) Inspection.
- (a) City Initial Inspection. On a site development or any other type of project, the erosion prevention and sediment control measures shall be installed prior to the start of any permitted activity.
- (b) Owner Inspections and Inspection Logs. The owner shall be required to inspect erosion prevention and sediment control measures and provide information to the city. Inspections shall be completed on a daily basis or as required by the erosion prevention and sediment control plans. Logs are to be maintained on site and available to the city inspector(s) upon request.

  (c) Final Inspection. A final erosion control inspection shall be required prior to the sale or conveyance to new property owner(s) or prior to the removal of erosion prevention and sediment control measures.
  - (3) (5) Erosion Prevention Techniques and Methods. The engineer of record shall be heldultimately responsible for the design and functionality of the erosion prevention and sediment control plan. The following are minimum requirements of any plan submitted for city approval:

(3)

(a) (a) A gravel construction entrance is required. If there is more than one vehicle access point, a gravel construction entrance shall be required at each entrance. The responsibility for the design and performance of the driveway remains with the permittee. Vehicles or equipment shall not enter a property adjacent to a stream, watercourse, storm facility, or wetlands unless adequate measures are installed to prevent physical erosion into the water or wetland.

(a)

(b) (b) The use of straw bales as a sediment filter or barrier is not allowed.
(b)

concentrated flow from the plastic must be protected.

(c) (e) Plastic sheeting shall generally not be used as an erosion control measure for single-family house construction. Plastic sheeting may be used to protect small, highly erodible areas, or temporary stockpiles of material. If plastic sheeting is used, the path of

(c)

(d) (d) The erosion prevention and sediment control measures shall remain in place and be maintained in good condition until all disturbed soil areas are permanently stabilized by installation and establishment of landscaping, grass, mulching, or otherwise covered and protected from erosion-

<u>(d)</u> .

(e) On sites where vegetation and ground cover have been removed from more than one acre of land, vegetative ground cover shall be planted on or before September 1st with the ground cover established by October 15th. As an alternative, if ground cover is not established by October 15th, the open areas shall be protected through the winter with straw mulch, erosion blankets, or

# other approved method(s). (f) (f) Sediment barriers are not required on a site: (e) (i) Where there are no concentrated flows and the slope being protected has a grade of less than two percent.t. (i) (ii) (ii) Where flows are collected through the use of temporary or permanent grading or other means such that the flows are routed to an approved settling pond, filtering system, or sediment barrier. (ii)(iii)(iii) Where there are no concentrated flows, slopes are less than 10 percent, and where the runoff passes through a grassed area which is either owned by the applicant, or such use is allowed, by written agreement, by the owner of the grassed area. The grass area shall be at least equal in dimensions to the project area. (iii) (iv)(iv) Where the surface is protected by approved ground cover or matting. (4) (6) Dust t. Dust shall be minimized to the extent practicable, utilizing all measures necessary, including, but not limited to: (4) (a) Sprinkling haul and access roads and other exposed dust-producing areas with water .-(a) (b) (b) Applying city-approved dust palliatives on access and haul roads-(b)\_. (c) (c) Establishing temporary vegetative cover. (c) (d) (d) Placing wood chips or other effective mulches on vehicle and pedestrian use areas. (d) (e) (e) Maintaining the proper moisture condition on all fill surfaces. (e)

(f) (f) Prewetting cut and borrow area surfaces.

<u>(f)</u>

(g) (g) Use of covered haul equipment. (Ord. 2875 Appx. § 840, 2003)

#### 18.36.050 Erosion prevention and sediment control permit. 18.36.050 Contaminated soils.

#### (1) Permit required.

- (a) An Erosion Prevention and Sediment Control Permit shall be obtained when ground disturbing activity, including but not limited to the placement of fill, site clearing, or land disturbances, grubbing, clearing or removal of ground vegetation, grading, excavation, or other activities will affect an area of 5,000 square feet or greater.
- (b) An Erosion Prevention and Sediment control Permit shall be obtained when ground disturbing activity, including but not limited to the placement of fill, site clearing, or land disturbances, grubbing, clearing or removal of ground vegetation, grading, excavation, or other activities will affect an area of 1,000 square feet or more and takes place within 50 feet of a body of water, or a wetland. The 50 feet shall be measured from the edge of the waterbody or the delineated edge of the wetland to the nearest point of land disturbance.
- (c) Except as provided in subsection (2) of this section, when projects meet these sizing criteria, no person shall conduct ground disturbing activities that cause or are likely to cause a temporary or permanent increase in the rate of soil erosion from a site without first obtaining an Erosion Prevention and Sediment Control permit from the Public Works Engineering Division. Projects that are a part of a common plan of development or sale shall be considered one total sum of land disturbance.

#### (2) Permit exemptions.

- (a) Activities for which there is no physical disturbance to the surface of the land.
- (b) Ground disturbing activities that disturb less than 5,000 square feet of land.
- (c) Ground disturbing activities which are within 50 feet of a body of water or a wetland and disturbs less than 1,000 square feet of land.
- (d) General landscaping and gardening projects under permit thresholds that do not involve major grading or fill. Major grading or fill means any earth-moving activity that involves one or more of the following:
  - (i.) Excavation, grading, or filling of more than 50 cubic yards of soil, rock, or other earthen materials on a single site

- (ii.) Alteration of natural drainage patterns, including diverting, concentrating, or discharging runoff toward a waterbody or wetland
- (e) Routine maintenance of gravel roads, road shoulders, paths, parking lots, and storage yards.
- (f) Routine maintenance of sports fields or playgrounds surrounded by vegetative ground cover or permanently installed curbing.
- (g) Emergency work if there is imminent danger to life or property. Permit requirements apply once the emergency subsides.
- (h) An exception from the City of St. Helens Erosion Prevention and Sediment Control

  Permit requirement does not exempt the applicant from the responsibilities of

  SHMC 18.36.020, except to the extent allowed under local, state, or federal permits issued for a specific site or purpose.
- (3) Applicants performing construction activity within the City subject to an Oregon

  Department of Environmental Quality (DEQ) stormwater permit must provide evidence of such approval by the DEQ to the Director.
- (4) Application for a permit.
  - (a) To obtain a permit, the applicant shall submit an Erosion Prevention and Sediment Control Permit application to the City of St. Helens Engineering Division. The application shall:
    - (i) Identify and describe the work to be covered by the permit.
    - (ii) Describe the land on which the proposed work is to be done by street address, legal description, or similar description that will readily identify and definitively locate the proposed work.
    - (iii) Identify the person or entity performing the land-disturbing activity.
    - (iv) Provide a 24-hour emergency contact person and phone number.
    - (v) If the Director finds there is insufficient information contained in the application to determine whether the EPSC Permit should be issued, the Director may require the submission of such additional information deemed necessary by the Director to make such determination.
- (5) Permit duration.

- may be extended until land-disturbing activities are completed and surface conditions stabilized with permanent measures to prevent future erosion as verified by the Director.
- (b) Prior to the expiration of an EPSC Permit, the permit holder may present a written request for an extension to the Director. If, in the opinion of the Director, an extension is warranted, up to a 12-month extension may be granted. Extensions will be subject to the applicable fees described in SHMC 18.36.040(8)
- (c) Expiration of an EPSC Permit that has not received a successful final stabilization inspection is a violation of this code.
- (6) Commencement of land-disturbing activities restricted.
  - (a) Land-disturbing activities shall not commence until the following conditions have been met:
    - (i) An EPSC Permit application has been submitted to the City with an attached applicable EPSC plan.
    - (ii) The EPSC Permit has been reviewed and approved by the Director. EPSC BMPs have been installed in accordance with the approved EPSC Permit.
    - (iii) The Public Works Engineering Division has verified BMPs have been installed in accordance with the approved EPSC Permit with an initial site inspection.
    - (iv) Permit holder has modified BMPs or installed additional BMPs as required by the Director following the initial site inspection.
- (7) Erosion Prevention and Sediment Control Permit Fees.

Fees applied under this title shall be as adopted by resolution of the City of St Helens City

Council. In the event the construction process reveals soils contaminated with hazardous materials
or chemicals, the contractor shall stop work immediately, ensure no contaminated material is
hauled from the site, remove his work force from the immediate area of the contaminated area,
leaving all machinery and equipment, and secure the area from access by the public until such time
as a response team has relieved them of that responsibility. The contractor shall immediately notify
an emergency response team, the city, and DEQ of the situation. (Ord. 2875 Appx. § 850, 2003)

#### 18.36.060 Erosion prevention and sediment control plan.

(1) An Erosion Prevention and Sediment Control Plan shall be submitted with City of St Helens Erosion and Sediment Control Permit application to the Public Works Engineering

#### Division.

- (2) The EPSC Plan shall follow the most current version of the *Erosion Prevention and*Sediment Control Planning and Design Manual issued through Clean Water Services of Washington County, Oregon.
- (3) Approved alternate erosion prevention and sediment control techniques may be used if designed by a certified professional and approved by the Director.
- (4) EPSC plans for construction projects disturbing half an acre or more of land surface shall require the stamp or signature of a certified professional.
- (5) The following are minimum requirements for the City of St. Helens Erosion Prevention and Sedimentation Control Plan. Additional BMPs may be necessary to prevent visible or measurable erosion and sediment from leaving the site to the greatest practical extent:
  - (a) Existing vegetation shall be preserved to the greatest practical extent. Trees shall not be used as anchors for stabilizing work equipment. Sites which discharge directly to Milton Creek or McNulty Creek shall require a vegetated buffer of 50 feet minimum, plus 25 feet for every 5 degrees slope to be established. The 50 feet shall be measured from the edge of the waterbody, to the nearest point of land disturbance.
  - (b) Applicants may install a BMP of equal effectiveness as the vegetated buffer as a substitute with approval from the City. Vehicles or equipment shall not enter a property adjacent to a stream, watercourse, storm facility, or wetlands unless adequate measures have been installed to prevent physical erosion into the water or wetlands.
  - (c) During periods of wet weather, disturbed areas of the site and/or stockpiled soils shall be covered by the Permittee by plastic sheeting or straw at the end of each day's operations; all disturbed, unworked areas of the site shall be protected from erosion.

    Stockpiles with temporary plastic sheeting shall be properly secured with sandbags.
  - (d) All sites must have proper spill kits in good working condition. Spill kits must be able to clean fuel, hydraulic fluid, oils from vehicles and machinery, debris, fertilizer, pesticides, herbicides, paint, solvents, curing compounds, adhesives from construction operations, and other chemical compounds.
  - (e) All sites with concrete work must have an approved concrete washout facility.

    Applicants will be responsible for maintaining and disposing concrete within the concrete washout.
- (6) Erosion Prevention and Sediment Control Plan Categories:
  - (a) Basic EPSC Plan

#### construction access, etc.)

#### (ii) Stabilization method and schedule

#### (b) Standard EPSC Plan

- (i) Site plan drawn to scale showing BMPs
- (ii) Phasing/sequencing of work
- (iii)Temporary stabilization measures
- (iv)Stabilized construction entrance and access

#### (c) Enhanced EPSC Plan

- (i) Site plan drawn to scale showing BMPs
- (ii) Phasing/sequencing of work
- (iii)Temporary stabilization measures
- (iv) Stabilized construction entrance and access
- (v) BMP maintenance plan
- (vi)Post-construction stabilization details

#### (d) Sites Greater Than or Equal to 1 Acre

- (i) Must comply with Oregon DEQ 1200-C permit requirements
- (ii) Submit a copy of DEQ-approved Stormwater Pollution Control Plan (SWPCP) and EPSC Plan to City
- (iii)Provide proof of DEQ coverage required before site disturbance

#### (7) Erosion Prevention and Sediment Control Plan Submittal Requirements:

Site Size	<b>EPSC Plan Requirement</b>	Permit Type
• Site less than 5,000 square		
• Site within 50 feet of a		
body of water or a wetland	Not required.	Not required.
that disturbs less than		
1,000 square feet		
Small Sites  • Site renging from 5,000		
• Site ranging from 5,000 square feet to 10,000		
square feet	Basic EPSC Plan required.	City EPSC Permit
• Site within 50 feet of a		
body of water or a wetland		
that disturbs 1,000 square		
feet or more		
Medium Sites Site ranging from 10,001	Standard EPSC Plan required.	City EPSC Permit
square feet to ½-acre		

(21,780 square feet)		
Large Sites		
Site ranging from over ½-		
acre (21,780 square feet) to	Enhanced EPSC Plan required	City EPSC Permit
<u>0.99 acre</u>		
Sites 1.0 acre or larger	EPSC Plan must be submitted	• DEQ Stormwater
	to Oregon DEQ under 1200-C	<u>Permit</u>
	permit. Copy of EPSC plan	• City EPSC Permit
	and permit must be submitted	
	to the City.	

#### 18.36.070 Erosion prevention and sediment control plan implementation

- (1) An approved Erosion Prevention and Sediment Control Plan shall be implemented and maintained as follows:
  - (a) The Permittee shall inspect the site in conformance with the permit issued to ensure EPSC measures are effective.
  - (b) The Permittee is responsible for ensuring that no visible or measurable erosion or sediment, or any prohibited pollutant leaves the permitted site. If any of these are observed, the Permittee is responsible for recording the observation in an inspection and submitting a EPSC Inspection report, as required by their permit, to the City within 24 hours of the observation.
  - (c) The Permittee shall keep a record of inspections as required by their permit, which shall include brief explanations as to any signs of erosion or sediment release and measures taken to prevent future releases as well as any measures taken to clean up any sediment that has left the site. Records must be made available to the City upon request and must be submitted to the City upon final completion of work.
  - (d) During periods of wet weather, or when unworked for a period of 14 days or more, disturbed areas of the site and/or stockpiled soils shall be covered by the Permittee by plastic sheeting or straw at the end of each day's operations; all disturbed, unworked areas of the site shall be protected from erosion. Stockpiles with temporary plastic sheeting need to be properly secured with sandbags.
  - (e) Permittee shall remove EPSC measures, establish permanent groundcover on all exposed soils; clean and remove trash, construction waste and sediment deposits before receiving a final EPSC inspection approval.
- (2) If the facilities and techniques in the approved EPSC Plan are not effective or are insufficient to meet the purposes of this chapter, the Permittee may be required to revise and resubmit the EPSC Plan. Such requirements shall be in writing and shall explain the problem. The written requirement shall be presented to the Permittee and any other related parties.

- (a) The revised EPSC Plan shall be submitted by the Permittee no later than five business days of the date of written notification by the City Engineering Manager.
- (b) The Permittee shall implement fully the revised EPSC Plan no later than three business days after receiving approval of the revised EPSC Plan from the City.
- (c) In cases where significant erosion is occurring, the Director or designee may require the Permittee to immediately install interim control measures before submittal of a revised EPSC Plan.
- (d) If there is a confirmed or imminent threat of significant off-site erosion, the Director or designee shall issue a Stop Work Order, upon issuance of which all work on the development site shall halt. The stop work order shall not be lifted until mitigation measures are implemented that comply with the City of St. Helens performance standards for EPSC and are approved by the Director or designee.

#### 18.36.080 Erosion prevention and sediment control plan compliance.

- (1) The Permittee shall be responsible for actions of all agents, contractors, or subcontractors onsite with respect to complying with St. Helens Erosion Prevention and Sediment Control Standards, the approved EPSC Permit, and state, local, or federal laws concerning erosion prevention and sediment control.
- (2) The Director or designee reserves the right to enter onto a site holding an active EPSC Permit, in order to ensure compliance with the permit, and ensure no visible erosion or sedimentation is occurring.
- (3) The Permittee is responsible for removing any sediment or prohibited pollutant on paved areas, carried off-site, or that have entered stormwater infrastructure, or water bodies using techniques approved by the City.
- (4) All EPSC BMPs must be inspected visually according to the following schedule:

Site Condition	Minimum Frequency
Active period	Daily when stormwater runoff, including
	runoff from snow melt, is occurring.
Active period	At least once every two (2) weeks,
	regardless of whether stormwater runoff is
	occurring.

Once to ensure that EPSC measures are in
working order. Any necessary maintenance
and repair must be made prior to leaving the
site. Final stabilization may be required.
Once every two (2) weeks.
If practical, inspections must occur daily at
a relevant and accessible discharge point or
downstream location.

- (5) When required by the permit, inspections shall be documented and contain the following information and any other information required by the EPSC Permit. Records of inspections will be kept on site in such a manner that they can be submitted to the City at the close of the permit.
  - (a) Date, address of site, permit number.
  - (b) Name, title, and contact information of the inspector.
  - (c) A summary of observations at the time of inspection and since the last inspection including, BMPs performance, maintenance and installation of BMPs, site discharges, potential future problems, and any other details the inspector deems important.
  - (d) Total amount of precipitation within the 24 hours prior to the inspection. Include the source of rainfall data.
  - (e) Pictures of all active BMPs, and any other site details noted in the inspection will be time stamped and included in the inspection report.
  - (f) If an inspection, or any single element of an inspection, is not able to be completed due to unsafe conditions, explain why.
  - (g) Signature of the inspector confirming that all information was completed truthfully, accurately, and completely to the best ability, knowledge, and belief of the inspector.

#### **18.36.090** Final stabilization and permit termination

(1) When all ground disturbing activities are complete, the Director or designee will inspect the site for "Final Stabilization". The Permittee is responsible for contacting the City to request an inspection. The following are the requirements to meet final stabilization but are

#### not intended to be complete list.

- (a) Vegetation is established with at least 70% land cover on all soils that were disturbed during the site development.
  - (i) Vegetated cover shall be planted by September 1<sup>st</sup> and established by

    October 15<sup>th</sup> of the same calendar year. If vegetated cover cannot be
    achieved by these dates, the exposed land shall be protected through the
    winter by another form of cover such as erosion blankets, or mulch. When
    the wet season has ended (May 1<sup>st</sup>) the permit holder will establish
    vegetation on the exposed soils unless another permanent protection
    measure has been approved and installed.
  - (ii) For sites where it is difficult to establish 70 percent coverage, the Permittee shall propose another solution such as alternate ground cover, or a permanent stormwater management facility to prevent erosion to the greatest practical extent to the City for approval.
- (b) Temporary BMPs are removed. All displaced soil, construction equipment, and tools are removed from the site. No soil is to be washed into the stormwater system during this process.
- (c) If the City inspection determines these requirements are met, the Erosion Prevention and Sediment Control Permit will be closed out.

#### 18.36.100 Enforcement and penalties

- (1) The City is authorized to enforce applicable code provisions of this chapter and to establish and impose enforcement fees and penalties for non-compliance, and to establish enforcement priorities.
- (2) The following escalating enforcement actions shall be taken when standard verbal and written communications to the Permittee have failed to ensure compliance:
  - (a) Notice of Correction. Deficiencies in the Permittee's erosion control best management practices (BMPs) will be documented on the City's inspection form. Permittee will be given a verbal notice of the deficiencies as well as a written copy of the inspection report. The permittee shall have three (3) business days to make corrections. If corrections are not made within three (3) business days, enforcement will escalate to a Notice of Violation. If there is a confirmed or imminent threat of significant sediment leaving the site and entering a water body or the City's stormwater system, a Stop Work Order may be issued.
  - (b) Notice of Violation. If the Permittee does not correct the deficiencies noted the Notice of Correction within the three (3) business days allowed, the City will follow up with a formal Notice of Violation. The Notice of Violation will be given to the Permittee to formally

notify them that they are not compliant with the permit conditions and/or City codes and ordinances. The purpose of this notice is to provide a warning that clearly outlines that more serious consequences will result if deficiencies are not corrected within three (3) business days of this notice. The Notice of Violation will be mailed via certified mail to the Permittee and/or posted at the site of the violation.

- (c) Stop Work Order. When a Notice of Correction and a Notice of Violation does not ensure compliance, or if there is an imminent threat of sediment leaving the site and entering a water body or the City's stormwater system, a Stop Work Order will be issued. The Stop Work Order will be issued by the Director or designee. Upon issuance of the Stop Work Order, all work on the site shall halt except work necessary to correct the violations.

  Continuing to work after receiving a Stop Work Order is unlawful and a violation of this code. The Stop Work Order shall not be lifted until mitigation measures have been implemented, inspected and approved by the City. A Stop Work Order shall be posted at the site of violation.
- (d) Nuisance Abatement. The Director or designee may determine that the failure or non-existence of erosion and sediment control measures as required by this chapter, constitute a nuisance presenting an immediate threat of injury to public health, the environment, or public or private property. In cases where the City determines it is necessary to take immediate action to meet the purposes of this chapter, summary abatement of such nuisance is authorized.
  - (i) Notification Following Abatement. When nuisance abatement is authorized, notice to the responsible party prior to abatement is not required. However, following the abatement, the City shall post upon the affected site the abatement notice describing the action taken to abate the nuisance and shall cause a notice to be mailed to the Permittee.
  - (ii) Financial Responsibility. Whenever a nuisance is abated under this section, the City shall keep an accurate account of all expenses incurred and shall file a statement of such costs with the City's Finance Department. Upon receipt of the statement, the Finance Director or designee shall mail a notice to the Permittee, stating the City's intent to assess the property in question the amount due plus charges to cover the costs of processing. In the event that amount due set forth in the notice is not paid in full within 30 days of the date of notice, the City Finance Director shall enter the amount of the unpaid balance, plus charges to cover administrative costs in the Docket of City liens which shall therefore constitute a lien against the property.

#### (e) Civil Penalties.

- (i) A violation of any provision of this chapter, including of an EPSC Permit and approved EPSC Plan shall be a civil violation which may be enforced pursuant to SHMC 1.06.
- (ii) The civil violation fine amount shall be not more than \$5,000, except that a violation of

- this chapter for a second or subsequent time within a 24-month period shall be punishable by a fine of not less than \$1,500 and not more than \$5,000.
- (iii) Each day of a continued violation, after receipt of a Notice of Violation from the City, constitutes a separate violation. For calculation purposes, a day starts at 12:00 a.m. and ends at 11:59 p.m.
- (iv) Any violation of this chapter is hereby declared to be a public nuisance as defined in this chapter and may be abated as provided therein.
- (f) The rights, remedies and penalties provided in this chapter are cumulative, are not mutually exclusive, and are in addition to any other rights, remedies and penalties available to the City under any other provision of law.

#### 18.36.110 Appeals

- (1) A person to whom an order under this section is directed shall have the right within 14 days of the service of such order to appeal to the Public Works Director, which shall review such order at a special meeting called for such purpose. Unless the order is revoked or modified by the Public Works Director, it shall remain in full force and be obeyed by the person to whom it is directed. Appeals of the Public Works Director decision must be made within 14 days after the decision. No person to whom an order is directed shall fail to comply with such order within 30 days after an appeal shall have been determined.
- (2) Decisions on appeals pursuant to SHMC 18.36.100 (1) can be appealed to the St. Helens

  City Council upon application and payment of a fee set by council resolution. The City

  Council will hold a public hearing within 60 days of a proper application. The hearing will be noticed in a local newspaper no less than two weeks before the hearing.
- (3) Failure to Comply. When a person to whom an order is directed fails to comply within the specified time, the Director shall remedy the condition or contract with others for such purpose and charge the cost thereof to the person to whom the order is directed. The person remedying the condition under a contract made under this section shall be authorized to enter premises for that purpose.
- (4) Special Assessment. If the cost of remedying a condition is not paid within 90 days after receipt of a statement from the city recorder or designee, such costs shall be levied against the property upon which the hazard exists as a special assessment. The levying of such assessment shall not affect the liability of the person to whom the order is directed to fine and imprisonment as provided in this section. Such special assessment shall be certified by the Director to the city recorder, shall thereupon become and be a lien upon such property, and shall be recorded in the city lien docket by the city recorder.



#### STAFF REPORT

Meeting Date: September 3, 2025

Author: Sharon Darroux, Engineering Manager

Department: Public Works
Division: Engineering

Subject: 2025 Storm Cleaning & CCTV Project

Type of Item: Project Award

CC: Mouhamad Zaher, Public Works Director

John Walsh, City Administrator

#### Introduction:

The purpose of this report is to provide the City Council with an overview of the proposed 2025 Storm Drain Cleaning and Closed-Circuit Television (CCTV) Inspection Project. This project is aimed at maintaining system functionality, preventing localized flooding, and identifying structural deficiencies within the storm drain network. The project scope includes the cleaning and video inspection of specific storm drain segments to ensure continued compliance with the City's TMDL Implementation Plan and other regulatory standards.

#### **Background:**

The City of St. Helens maintains an extensive storm drain system that requires regular maintenance to ensure efficient operation and minimize the risk of flooding and infrastructure failure. As part of the City's ongoing stormwater system management and in support of the TMDL Implementation Program, the 2025 Storm Drain Cleaning and CCTV Inspection Project includes mechanical de-rooting and hydro flushing of approximately 1,291 linear feet of 15-inch concrete storm drain pipelines located throughout the city. Following cleaning, the contractor will perform Closed-Circuit Television (CCTV) inspections to evaluate the internal condition of the storm drains. The findings will be documented and used to identify blockages, structural defects, and maintenance needs.

This information will support the City in prioritizing repairs and planning future capital improvements to enhance system reliability and longevity.

#### Staff Analysis:

The project was advertised for bids on July 23, 2025 and the following bids were received and opened at 2:00 PM, August 12, 2025, in the Columbia Room at City Hall:

FIRM	LOCATION	BID
Jeffries Construction, LLC	PO Box 750. 1615 Schurman Way Woodland, WA 98674	\$63,613.00
Western United Civil Group, LLC	PO Box 236 Yacolt, WA, 98675	\$104,000.00

#### **Budget Impact:**

City storm funds have been budgeted this fiscal year for the project.

#### **Requested Action:**

City Council is requested to award the project and authorize the Mayor to execute a Contract for the 2025 Storm Drain Cleaning and CCTV Inspection Project to Jeffries Construction, LLC at the

City Council Regular Session this evening, September 3, 2025. The contract will be for the amount specified in the firm's bid, plus standard contingency.

#### **Attachment:**

Bidders' Spreadsheet



# DEPARTMENT OF PUBLIC WORKS ENGINEERING DIVISION

#### \*UNOFFICIAL BID RESULTS\*

PROJECT NAME: 2025 Storm Drain Cleaning and CCTV Project PROJECT NO. SD-201

 BID OPENING:
 2:00 P.M., Tuesday, August 12, 2025
 ENGINEER'S ESTIMATE:
 \$200-\$300 K

BID OPENING WITNESSED BY: Alexander Bird, John Walsh, Bashar Al-Daomi

ARE BIDS LISTED IN THE ORDER OPENED?	YES			
Contractor's Name and Address	10% Bid Bond or Check Enclosed	Bid Signed	Addendum(s) Acknowledged	Bid Amount
JEFFRIES CONSTRUCTION, LLC PO Box 750. 1615 Schurman Way Woodland, WA 98674	Yes	Yes	N/A	\$63,613.00
WESTERN UNITED CIVIL GROUP, LLC PO Box 236 Yacolt, WA, 98675	Yes	Yes	N/A	\$104,000.00

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# City of St. Helens RESOLUTION NO. 2020

# A RESOLUTION OF THE CITY COUNCIL OF ST. HELENS, OREGON DECLARING CITY OWNED PROPERTIES AT 1300 KASTER ROAD, TAX ACCOUNT NOS. 13249 AND 13215, AS SURPLUS AND AUTHORIZING SALE OF THE PROPERTIES

WHEREAS, the City of St. Helens obtained properties located on Kaster Road, identified as Tax Account Nos. 13249 and 13215 (Properties); and

**WHEREAS,** the City has maintained ownership of the Properties during previous industrial uses; and

WHEREAS, the Properties are zoned Heavy Industrial and developed with a paper mill and related improvements; and

WHEREAS, the proposed use of the property is to operate a paper manufacturing facility; and

**WHEREAS,** the City Council considers it necessary or convenient to sell the Properties to promote economic development, private investment, and job creation opportunities in the city of St. Helens; and

WHEREAS, ORS 221.725 provides the process to be followed by a city when the City Council considers it necessary or convenient to sell real property; and

WHEREAS, the City has followed the required process stated in ORS 221.725 by publishing a notice of the proposed sale in a newspaper of general circulation in the City consistent with the requirements of ORS 221.725(2), and

WHEREAS, the City Council held a public hearing on August 27, 2024, to receive public comments from any resident of the city regarding the sale of the Properties prior to the sale; and

WHEREAS, the City has followed ORS 221.725(4) by disclosing at the public hearing the nature of the proposed sale and the general terms thereof, including an appraisal or other evidence of the market value of the Properties; and

WHEREAS, The City Council has determined that the proposed purchase price is supported by the appraisal for the Properties and is within an acceptable range similar to parcels within St. Helens with similar site characteristics and development potential; and

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WHEREAS, the City Council wishes to declare the Properties surplus and authorize sale to Arcadia Paper Mills, LLC for the agreed upon price of Seven Million Five Hundred Thousand Dollars.

#### NOW, THEREFORE, THE CITY OF ST. HELENS RESOLVES AS FOLLOWS:

**Section 1.** Finding No. 1. The City Council hereby finds and determines that the Properties located at 1300 Kaster Road, identified as Tax Account Nos. 13249 and 13215, are surplus, have historically been used for a paper mill, and would benefit the City by being sold to for use as a paper manufacturing facility.

**Section 2.** Finding No. 2. The City Council hereby finds that after offering the Properties for sale, a purchaser has been identified, Arcadia Paper Mills, LLC, who submitted an acceptable offer of Seven Million Five Hundred Thousand Dollars for the Properties.

**Section 3.** Finding No. 3. The City Council finds that the requirements of ORS 221.725, which apply when a sale of real property is done by a City, have been fully complied with as the meeting was properly noticed and held and any resident of the city was given an opportunity to present written or oral testimony at a public hearing held on August 27, 2024.

**Section 4.** Finding No. 4. The City Council finds that sale of the Properties to Arcadia Paper Mills, LLC is in the best interests of the City and authorizes and directs the City Administrator to take appropriate steps to complete the sale according to the terms negotiated.

**Section 5.** This Resolution shall become effective immediately upon passage.

**PASSED AND ADOPTED** by the City Council of this 27<sup>th</sup> day of August 2024.

Ayes: Chilton, Sundeen, Gundersen, Hubbard, Scholl

Nays: None

Rick Scholl, Mayor

ATTEST:

Kathy Payne, City Recorder

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#### FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

This FIRST AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT (this "Amendment"), dated Feb. 19, 2025 (the "Amendment Effective Date"), is entered into by and between Arcadia Paper Mills, LLC, a State of Oregon limited liability company ("Purchaser"), as purchaser, and The City of St. Helens, Oregon, an Oregon municipal corporation ("Seller"). The Purchaser and Seller are referred to herein as the "Parties" and each, individually, as a "Party."

WHEREAS, Purchaser and Seller are parties to that certain Real Estate Purchase and Sale Agreement dated August 30, 2024 (the "PSA"), with respect to certain real property described therein, located in St. Helens, Columbia County, Oregon.

WHEREAS, Seller and Buyer desire to amend the Agreement to as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises of the parties as set forth herein, Seller and Buyer hereby agree as follows:

- 1. <u>Definitions</u>. All capitalized terms not defined in this Amendment have the meanings ascribed to them in the Agreement. All references to the "Agreement" contained in this Amendment and in the Agreement shall refer to the Agreement as amended by this Amendment.
- 2. <u>Legal Description of the Land</u>. The anticipated "Approvals Survey" (as contemplated and defined by Section 2 of the PSA), reflecting the parties' proposed final configuration of the Land, is attached hereto as Exhibit A-1; provided, however, final acceptance of the Approvals Survey is subject to the Purchaser's and Seller's approval of the conditions for approval (for the necessary boundary line adjustment), which have not been fully determined by the applicable approving governing body.
- 3. <u>Amendment and License</u>. In consideration of this Amendment and the license (as defined below), as well as the non-refundable of One Hundred Thousand Dollars (\$100,000) paid to Seller by Purchaser on the date hereof, Seller hereby grants to Buyer a license (the "License") to engage in certain activities at the Premises, subject to and upon the terms and conditions set forth in **Exhibit B** attached hereto and made a part hereof (the "License Rider"). For purposes of clarification, the aforementioned One Hundred Thousand Dollars (\$100,000) payment to Seller is not applicable against the Purchase Price under the PSA.
  - 4. <u>Closing Date</u>. <u>Section 9(a)</u> of the PSA is hereby deleted and replaced with the following:

"The closing of the purchase and sale of the Property pursuant to this Agreement (the "Closing," "Close" or "Closed") shall take place through Escrow (as defined below) on or before the earlier to occur of: (i) thirty (30) days after the date that Purchaser has entered into a "Prospective Purchaser Agreement" with the Oregon Department of Environmental Quality (the "PPA"), or (ii) September 30, 2025. Purchaser agrees to use good faith, commercially reasonable and diligent efforts to procure the PPA in a timely manner."

5. <u>Office Max Indemnity</u>. The parties hereby agree that the Closing condition set forth in <u>Section 15(b)(ii)</u> is hereby waived by Purchaser. Notwithstanding the waiver of such condition by Purchaser, Seller agrees to continue to use continuous good faith and commercially reasonable efforts to procure an "Indemnity Agreement" that allowing Purchaser to directly enforce the Office Max Indemnity (such enforcement right pertaining to the Property only).

All other terms and conditions of the Purchase and Sale Agreement remain as agreed upon. This First Amendment is deemed to be incorporated into the PSA and subject to all other terms and conditions therein.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 to the Purchase and Sale Agreement, effective as of the Effective Date defined above.

SELLER:

**CITY OF ST. HELENS, OREGON** an Oregon municipal corporation

By: Junta Mauss
Name: Jennifer Massey
Title: Mayor

Date Executed: 2/19/25

**PURCHASER** 

ARCADIA PAPER MILLS, LLC

a State of Oregon limited liability company

By:
Name: ERIC OVANESSIAN

Date Executed: 2-10-25

## Exhibit A-1

# **Approvals Survey**

[See Attachment]

## Exhibit A-2

# **Conditions to Approval of Land Configuration**

[See Attachment]

#### Exhibit B

#### **License to Enter the Premises**

- 1. License; Licensed Premises. The "**Premises**" subject to the License and the terms of this License Rider consists of: (i) the real property contained within the boundaries of the Approvals Survey attached to this Amendment as "**Exhibit A**" (the "**Land**"), (ii) all buildings and other improvements, if any, located thereon, and (iii) all equipment, machinery, and other personal property currently located at the Land and used in connection with the operation of the mill buildings located upon the Land.
- 2. Purpose of this License. The Parties acknowledge and agree that the purpose of this License is to allow Purchaser: (i) to continue pursuing the Prospective Purchaser Agreement ("PPA") with the State of Oregon Department of Environmental Quality; and (ii) to (a) thoroughly and fully test the machinery and equipment located at the Premises fully and (b) to continue to maintain and keep such machinery and equipment operable and to limit the deterioration. Consistent with the foregoing sentence, Seller requires Purchaser, and Purchaser accepts the obligation (and to bear the related costs) to test, maintain, operate, and commission the equipment and machinery on the Premises to preserve the value and to minimize deterioration of such equipment and machinery.
- 3. Term. The term of the License (the "Term") shall begin on the date of full execution of the Amendment (the "Commencement Date"), and shall end on the earliest to occur of: (i) the Closing Date, (ii) the date the PSA is terminated in accordance with its terms by either Party, or (iii) Seller's termination of this License following a default by Purchaser beyond all applicable notice and cure periods, as provided in Section 12 below (the "Expiration Date").

#### 4. Possession and Use.

- (a) Purchaser hereby accepts the Premises in "as is, where is" condition. Purchaser acknowledges that it has inspected the Premises, that it is satisfied with the condition of the Premises, and that Seller has not made any representations, express or implied, regarding the Premises. Seller shall have no obligation to perform or pay for any repairs, replacements, improvements or alterations in or to the Premises.
- Seller's prior written consent, which may be be withheld or granted in Seller's reasonable discretion: (i) the repairing, refurbishing, rebuilding, reinstalling, testing, and the commissioning the equipment and machinery located at the Premises; (ii) the maintaining, repairing, refurbishing, rebuilding, reinstalling, testing, and commissioning the structures, access points, and site utilities (such potable and process water, wastewater, and electrical) at the Premises; and (iii) \_\_\_\_\_\_ (the "Permitted Use"). Purchaser shall obey and comply with all laws, rules, regulations, ordinances, and other legal requirements at all timetimes during the Term. Purchaser shall not cause or permit a nuisance to exist on or about the Premises, and shall at all times maintain the Premises in clean and attractive condition, properly dispose of all trash, refrain from burning anything on or about the Premises, refrain from engaging in any dangerous, illegal or immoral activities on or about the Premises and obey such other reasonable rules that Seller may issue from time to time regarding Purchaser's use of the Premises.

#### 5. <u>Deposit.</u>

- (a) In consideration of this Amendment the License Seller and Purchaser agree that Purchaser will remit to Seller a non-refundable deposit in the amount of One Hundred Thousand Dollars (\$100,000) ("Deposit") on the date hereof (the "License Fee Commencement Date").
- 6. Repair and Maintenance. Purchaser shall, at its sole cost and expense (and without expectation of reimbursement from Seller if the Closing does not occur pursuant to the PSA), maintain in good condition and repair the entire Premises, including without limitation all buildings and other improvements on the Premises, all machinery and equipment located within the buildings and other improvements, and all roofs, structural elements and exterior walls, landscaping, driveways, parking areas and building systems (including without limitation plumbing, electrical, heating and air conditioning), and otherwise keep and maintain the Premises in good order and repair throughout the Term. Purchaser, at its sole expense, shall make any modifications of the Premises required to comply with applicable legal requirements related to its use of the Premises, including without limitation the Americans with Disabilities Act.
- 7. <u>Alterations</u>. Purchaser shall have no right to make any alterations in or to any portion of the Premises without having first obtained the prior written consent of Seller, which may be withheld or conditioned in Seller's sole discretion.

Any alterations consented to by Seller (including without limitation all planning and permitting) shall be at Purchaser's sole expense, shall not reduce the value of the Premises, and shall be performed by Purchaser is a good and workmanlike manner in accordance with all applicable legal requirements and restrictions. In connection with any work by Purchaser in or at the Premises, Purchaser agrees that Purchaser and its employees, agents, contractors and suppliers will obey reasonable rules and regulations established by Seller, work in harmony with Seller and its employees, agents, contractors and suppliers, and not interfere with the use and operation of properties adjacent to the Premises. Purchaser agrees that entry and work in or at the Premises by Purchaser and its employees, agents, contractors and suppliers shall be governed by all of the terms, covenants, conditions and provisions of this License Rider, including without limitation Purchaser's indemnification agreements and agreements to maintain insurance coverage. In addition to the insurance coverage otherwise required under this License Rider, at all times during work in or at the Premises by Purchaser or its contractors, Purchaser shall maintain or cause to be maintained Builder's Risk Completed Value fire and extended coverage insurance covering the Premises in form and amounts satisfactory to Seller (with insurance certificate delivered to and approved by Seller in advance of any work, and with Seller named as loss payee). Purchaser further agrees that Seller shall not be liable in any way for injury, loss or damage which may occur to any of Purchaser's work or installations, or to any personal property, all of which shall be at Purchaser's sole risk, and Purchaser hereby waives any and all such liability of Seller.

Purchaser shall obtain the prior written approval of Seller of all plans for any work in or at the Premises before commencing work, and shall cause the Premises to be improved in accordance with the plans as approved by Seller. Purchaser or Purchaser's contractors shall file all required drawings, plans and specifications with, pay all required fees to and obtain all necessary permits and certificates from governmental authorities with jurisdiction over such work. All contractors must be approved in writing by Seller, approval not to be unreasonably withheld, and must maintain insurance coverage as required by Seller. Purchaser shall indemnify, defend and hold harmless Seller, and its agents, employees, successors and assigns, from and against all claims, damages, losses, costs and liabilities of any kind, nature and description (including without limitation reasonable attorneys' fees and costs) which may arise out of or in any way be connected with any such work.

Purchaser shall keep the Premises free and clear of any lien or claim of lien arising out of any work occurring, or allegedly occurring, by, through or under Purchaser, and shall immediately pay and discharge any such lien or claim of lien that is filed.

#### 8. Utilities and Services.

- (a) Utilities and Services General. Except as expressly provided otherwise in this License, Purchaser shall make all arrangements for and pay for all utilities and services to be used by Purchaser in its operations and activities at the Premises, including, without limitation, gas, electricity, water, sewer, janitorial, trash removal and communications services, including without limitation any and all charges for initiation of such utilities and services. Seller agrees to reimburse Purchaser: (i) for up to Twenty Thousand and No/100 Dollars (\$20,000) of electricity costs incurred by Purchaser at the Premises in the month of December 2024, and (ii) for up to Twenty Thousand and No/100 Dollars (\$20,000) of electricity costs incurred by Purchaser at the Premises in the month of January 2025. Such reimbursement shall be tendered within thirty (30) days after receiving evidence of Purchaser's payment of the foregoing costs to be reimbursed.
- (b) Security. Notwithstanding the foregoing, Seller was responsible for the hiring of, and payment for, security services at the Property through December 31, 2024. Commencing at 12:01 a.m. on January 1, 2025 (the "Security Turnover Date"), Purchaser was and thereafter shall be solely responsible for procuring security services at the Property for the remainder of the License Term. If Purchaser elects to use a different security service (or procure a different level of security service than Seller is providing prior to the Security Turnover Date) than the one being used by Seller, the Purchaser must first obtain Seller's approval of such proposed new security service. PURCHASER EXPRESSLY ACKNOWLEDGES THAT ANY SECURITY SERVICES AND/OR PROGRAMS PROCURED BY SELLER OR APPROVED BY SELLER, MAY NOT PREVENT THEFT OR OTHER CRIMINAL ACTS, OR INSURE THE SAFETY OF PERSONS OR PROPERTY, AND PURCHASER EXPRESSLY ASSUMES THE RISK THAT ANY SUCH SECURITY SERVICE OR PROGRAM MAY NOT BE EFFECTIVE.

#### 9. Casualty or Condemnation.

- (a) Casualty. If the improvements that are part of the Premises are totally or partially damaged or destroyed by fire or other casualty, however caused, or by any other cause or happening, then Purchaser shall promptly give written notice of the damage or destruction to Seller. In such event, the Parties will proceed in accordance with the PSA, and Purchaser may, in its discretion, elect to terminate this License by delivery of written notice of such termination to Seller at any time after the occurrence of such damage or destruction. Upon any such termination, and subject to any conflicting provisions of the PSA with respect to the rights of the Parties to receive insurance proceeds following a casualty event (which such terms shall control in the event of any conflict), Seller shall be entitled to receive all insurance proceeds payable with respect to the Premises (other than any proceeds payable solely with respect to the personal property and trade fixtures of Purchaser).
- (b) Condemnation. If the whole of the Premises shall be taken for any public or any quasipublic use under any statute or by right of eminent domain, or by purchase in lieu thereof, then, subject to
  the terms of this License shall automatically terminate as of the date that title shall be taken. If any part of
  the Premises shall be so taken as to render the remainder thereof unusable for the purposes for which the
  Premises was leased, then each of Seller and Purchaser shall have the right to terminate this License upon
  written notice to the other delivered at any time after the date of such taking. In the event that the License
  shall terminate or be terminated, the Deposit shall be refunded by Seller to Purchaser. If the License is not
  terminated, the Deposit shall not be reduced or abated. Subject to any conflicting terms in the PSA (which
  shall control, in the event of any such conflict), all compensation awarded or paid upon a total or partial

taking of the Premises shall belong to and be the property of Seller without any participation by Purchaser; provided, that nothing contained herein shall be construed to preclude Purchaser from prosecuting a separate claim directly against the condemning authority for moving expenses or loss of business as long as such claim does not diminish or otherwise adversely affect Seller's award.

- 10. <u>Insurance.</u> Throughout the Term, Purchaser at its sole cost shall maintain the following insurance coverage.
- (a) Commercial General Liability Insurance (current ISO form or its equivalent) in the amount of at least One Million and No/100 Dollars (\$1,000,000.00) per occurrence, with a General Aggregate limit per location of at least Two Million and No/100 Dollars (\$2,000,000.00), and Umbrella Liability coverage in the amount of at least Four Million and No/100 Dollars (\$4,000,000.00), or such other amounts as Seller may reasonably require upon not less than six (6) months' prior written notice. Such insurance shall be on an occurrence basis with respect to the business carried on in or from the Premises and Purchaser's use and occupancy of the Premises. Purchaser further agrees that such insurance shall contain fire and extended coverage legal liability insurance. Purchaser's insurance shall be primary and noncontributory with regard to the Premises and Purchaser's operations.
- (eb) Statutory Workers' Compensation Insurance and Employer's Liability Insurance with minimum limits of at least \$500,000/\$500,000/\$500,000, with waiver of subrogation in favor of Seller (Purchaser hereby waiving any claims against Seller covered by such insurance).
- (dc) Business Auto Liability Insurance which insures against bodily injury and property damage claims arising out of the ownership, maintenance or use of "any auto." A minimum of One Million and No/100 Dollars (\$1,000,000) combined single limit shall apply.

Each policy of insurance required to be maintained by Purchaser pursuant to this Section 10 shall: (x) be placed with insurance companies admitted to do business in the state in which the Premises is located and approved by Seller in its reasonable discretion, and (y) contain an endorsement requiring thirty (30) days' written notice from the insurance company to Seller prior to any cancellation or reduction in coverage of the policy. The commercial general liability insurance and business auto liability insurance policies shall each name Seller as additional insured. Prior to the Commencement Date, and annually thereafter (or otherwise upon request of Seller), Purchaser shall deliver to Seller certificates of insurance evidencing the policies of insurance required by this Section 10, together with satisfactory evidence of proof of payment of premiums.

Notwithstanding anything to the contrary; (i) Seller shall not be responsible or liable to Purchaser or its insurers for any loss or damage incurred by Purchaser or with respect to Purchaser's property to the extent covered by insurance required to be obtained and maintained by Purchaser under this License Rider (whether or not such insurance is actually obtained or maintained) or the proceeds of any other insurance maintained by Purchaser, and (ii) Purchaser shall not be responsible or liable to Seller or its insurers for any loss or damage incurred by Seller or with respect to Seller's property to the extent covered by proceeds of insurance maintained by Seller.

11. <u>Indemnity and Waiver</u>. Purchaser shall protect, indemnify, defend and save harmless the Seller from and against any and all claims, demands, liabilities, actions, losses, liens, costs and expenses of any nature whatsoever (including without limitation attorneys' fees) in any manner growing out, related to or arising from: (i) Purchaser's use and occupancy of the Premises, (ii) any injury, death or property damage occurring in or about the Premises, and (iii) any Default, as defined below, under this License Rider by Purchaser. Purchaser hereby releases and waives all claims against Seller, its agents and employees, for

injury (including death) or damage to person, property or business sustained in or about the Premises by Purchaser, its agents or employees.

- 12. <u>Default</u>. The occurrence of any one of the following shall constitute a default ("**Default**") by Purchaser:
- (a) Purchaser fails to perform, observe, or comply with any of the terms, covenants and obligations set forth in this License Rider other than the obligations set forth in Section 12(a) above, and Purchaser: (i) fails to promptly commence cure of such failure following written notice of such breach from Seller, and (ii) such breach is not cured within thirty (30) days after Seller's deliver of such written notice to Purchaser;
- (b) A petition is filed by or against Purchaser to declare Purchaser bankrupt or seeking a plan of reorganization or arrangement under any Chapter of the Bankruptcy Code, or an assignment is made by Purchaser for the benefit of its creditors, or a receiver or trustee is appointed for Purchaser's property; or
  - (c) Purchaser is in default under the PSA beyond all applicable notice and cure periods.
- 13. <u>Seller's Remedies</u>. Upon a Default, Seller may exercise any or all of the remedies set forth in this <u>Section 13</u>. These remedies are not exclusive; they are cumulative in addition to any other remedies now or later allowed by law or in equity.
- (a) Seller shall have the right to immediately terminate this License. Purchaser shall surrender possession of the Premises to Seller on demand, and Seller shall have the right to enter the Premises without notice to vacate (any right to which is hereby waived by Purchaser) and relet them, using such reasonable force as may be necessary (including without limitation changing any or all locks on the Premises), all without being liable to Purchaser or any other party. No act by Seller other than the giving notice of termination to Purchaser in writing shall terminate the License.
- (b) Seller shall have the right to recover from Purchaser all damages as are caused by Purchaser's Default.
- (c) Seller shall have the right (but not the obligation) to cure any Default on behalf and at the expense of Purchaser without further prior notice to Purchaser, and all sums expended or expenses incurred by Seller in performing such shall be deemed to be additional license fee under this License and shall be due and payable upon demand by Seller with interest at the rate provided in Section 4 of this License Rider above.
- 14. Assignment and Subletting. Except for any assignment expressly permitted pursuant to Section 24 of the PSA, Purchaser shall not sell, assign, pledge or hypothecate the License rights and/or obligations created pursuant to this License Rider or sublet the Premises or any part thereof without the prior written consent of Seller, in Seller's sole discretion. An assignment shall be considered to include a change in the majority ownership or control of Purchaser, and any change in control of Purchaser without prior written approval from Seller shall be deemed a violation of the foregoing provision unless Seller consents thereto in writing. Consent by Seller to one assignment, subletting or other transfer shall not destroy or operate as a waiver of the prohibitions contained in this Section 14 as to future assignments, subleases or other transfers, and all such later assignments, subleases or transfers shall be made only with Seller's prior written consent. In the event any assignment or other transfer of Purchaser's rights and obligations set forth in this License Rider, or subletting of the Premises or any part thereof, is made by Purchaser, whether or not the same is consented to by Seller, Purchaser shall remain liable to Seller for payment of all fees and charges hereunder, and for the faithful performance of all of the other terms and

covenants of this License Rider to the same extent as if the License rights and/or obligations created pursuant to this License Rider had not been assigned, transferred or the Premises sublet.

15. Surrender. Unless Purchaser acquires the Premises at the Closing pursuant to the PSA, then Purchaser shall surrender the Premises to Seller at the expiration of the Term or the earlier termination of the License in as good condition as they were when received, normal wear and tear excepted. Purchaser shall pay Seller Twenty Five Thousand Dollars (\$25,000.00) for each month or a pro rata portion of any month during any period that it holds over in possession of the Premises after the termination of the License or expiration of the Term; provided, that nothing in this Section 15 shall entitle Purchaser to extend or renew the Term, or constitute a waiver by Seller of any re-entry rights of Seller available under this License Rider or by law. Notwithstanding anything to the contrary in this License Rider, if Purchaser fails to surrender the Premises to Seller as required under this License Rider upon the expiration of the Term or earlier termination of the License, such holding over shall immediately constitute a default by Purchaser under this License Rider, and Purchaser agrees to indemnify, defend and hold harmless Seller from and against all claims, actions, damages, liabilities, losses and expenses arising from such holding over, including without limitation claims made by any succeeding Purchaser or real estate broker, losses or damages resulting from the inability to lease or deliver possession of the Premises to any succeeding or prospective Purchaser (including without limitation lost profits and other consequential damages) and attorneys' fees.

All trade fixtures and furnishings installed in the Premises by and at the expense of Purchaser may be removed by Purchaser at any time prior to expiration of the Term or earlier termination of the License; provided, that such removal will not damage the Premises. Purchaser agrees that it will promptly repair any damage caused by such removal. Any such property of Purchaser not so removed before the expiration of the Term or the earlier termination of the License shall, at Seller's option, become the property of Seller, or shall be removed by Purchaser, at Purchaser's expense, on demand. Purchaser's obligations under this Section 15 shall survive the termination of the License or expiration of the Term.

16. <u>Right of Entry.</u> Seller and its authorized representatives shall have the right to enter the Premises at all reasonable times upon reasonable notice (except in emergencies, when notice shall not be required) to inspect the Premises, and to exhibit the Premises to prospective Purchasers during the last six (6) months of the Term.

#### 17. <u>Hazardous Materials</u>.

- (a) Purchaser shall not use, generate, manufacture, produce, store, release, discharge or dispose of on, in, at or under the Premises, or transport to or from the Premises, any Hazardous Materials (as defined below), or allow any other person or entity to do so, except for such Hazardous Materials as are typically used in the commercially reasonable operation of the Premises for the Permitted Use. Purchaser shall comply with all local, state and federal laws, ordinances and regulations relating to Hazardous Materials on, in, under or about the Premises.
- (b) Purchaser shall promptly notify Seller should Purchaser receive notice of, or otherwise become aware of, any: (a) pending or threatened environmental regulatory action against Purchaser or the Premises; (b) claims made or threatened by any third party relating to any loss or injury resulting from any Hazardous Material; or (c) release or discharge, or threatened release or discharge, of any Hazardous Material in, on, under or about the Premises.
- (c) Purchaser agrees to indemnify, defend and hold harmless Seller from and against any and all liabilities, claims, demands, costs and expenses of every kind and nature (including reasonable attorneys' fees) directly or indirectly attributable to Purchaser's failure to comply with this Section 17, including,

without limitation: (a) all consequential damages; and (b) the costs of any required or necessary repair, cleanup or other response action. The indemnity contained in this <u>Section 17</u> shall survive the termination or expiration of the License.

- (d) As used in this <u>Section 17</u>, the term "**Hazardous Materials**" shall mean any substance which is dangerous or harmful or potentially dangerous or harmful to human health or the environment, including but not limited to petroleum products and any substance designated as a "hazardous substance," "hazardous waste," "hazardous material," "toxic substance," or "pollutant" under any law or regulation.
- 18. <u>Limitation on Liability</u>. Purchaser shall look solely to the estate and interest of Seller in the Premises for the collection of any judgment requiring the payment of money by Seller for default or breach by Seller under this License Rider.
- 19. <u>Waiver</u>. The waiver by Seller of any breach of any covenant or obligation in this License rider shall not be a waiver of any other Default concerning the same or any other covenant or agreement herein contained. The receipt and acceptance by Seller of delinquent or partial fees shall not constitute a waiver of that or any other Default.
- 20. <u>Notice</u>. The terms of <u>Section 31</u> of the PSA shall control with respect to giving of notice pursuant to the terms of this License Rider.

[End of Exhibit B]

#### REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (this "Agreement"), dated August 28, 2024, is entered into between:

- 1. Arcadia Paper Mills, LLC, a State of Oregon limited liability company ("Purchaser"), as purchaser; and
- 2. The City of St. Helens, Oregon, an Oregon municipal corporation ("Seller"), as seller.

The date this Agreement is executed by the last of Purchaser and Seller shall be the "Effective Date" hereof.

IN CONSIDERATION of the mutual covenants and obligations of the parties set forth in this Agreement, Seller and Purchaser hereby agree as follows:

- 1. <u>Purchase and Sale</u>. The Seller agrees to sell and convey to Purchaser and Purchaser agrees to purchase from Seller, for the Purchase Price (as defined below), and on the terms and conditions set forth herein, the following (collectively, the "**Property**"):
- (a) Real Property. All of the following described real property, together with all rights, privileges, easements, hereditaments, tenements and rights-of-way appurtenant to, or used in connection with, the beneficial use and enjoyment thereof (collectively, the "Real Property"): the real property outlined on Exhibit A attached hereto (the exact legal boundaries of which will be determined pursuant to the terms of Section 2 below) (the "Land"), which constitutes a portion of Columbia County Tax Lots Tax Lots #4109-00-00100 and #4109-00-00101 (legally described on Exhibit A-1) (the "Original Parcels").
- (b) All improvements and fixtures now located on the Land, save and except for any utility lines located upon or under the Land that serve the Original Parcels and other surrounding real property owned by Seller (collectively, the "Improvements," which shall be included in the defined term "Real Property");
- (c) <u>Personal Property</u>. All of the right, title and interest of Seller in and to all personal property owned by Seller and located on, in, or used in connection with, the Real Property and/or Improvements, excluding those items owned by or leased from third parties (the "Personal Property") (which are captured on the videotape incorporated into, and otherwise described in **Exhibit A-2**); provided, that Seller shall deliver to Purchaser a list of those items owned by or leased from third parties within ten (10) days after the execution of this Agreement; and
- (d) <u>Intangible Property</u>. All of the right, title and interest of Seller in and to any and all intangible personal property owned by Seller and used in the ownership, use and operation of the Real Property, Improvements and/or Personal Property (collectively, the "Intangible Property") which is described in the videotape included in Exhibit A-2 or as otherwise described in Exhibit A-3) and no other real or personal property owned by Seller; and
- (e) <u>Plans and Specifications</u>: All of the right, title and interest in and to (i) any and all transferable licenses, permits, approvals, applications and warranties now in effect with respect to the Property, Improvements or Personal Property specifically and no other real or personal property owned by Seller; and (ii) all plans (including as-built plans), drawings, specifications (including structural, waterproofing, window, flashing and paper details, HVAC and plumbing schematics as well as a

specifications book), and surveys relating to the Real Property (collectively, the "Plans and Specifications") as described in Exhibit A-4.

- Boundary Line Adjustment to Create Sale Parcel. Purchaser acknowledges that the approximate proposed boundaries of the Land are subject to certain land use approvals (the "Approvals"), which are necessary in order to allow the boundary lines of the Original Parcels to be adjusted to create the proposed sale parcel (i.e., the Land), as shown on Exhibit A while leaving the remaining land and parcels in conformance with all applicable legal requirements (the "BLA Process"). Seller shall be responsible (at Seller's sole cost and using commercially reasonable, good faith efforts) for pursuing the Approvals necessary to cause the Land to be a legal lot that can be conveyed to Purchaser at Closing in compliance with all applicable laws and land use regulations. Seller shall be permitted to make sure reasonable modifications to the proposed boundaries of the Land as may be necessary or required in pursuing the Approvals to ensure legal compliance of all land affected by the BLA Process, as well as committing to reserve or grant such easements as may be required as part of the BLA Process. Seller will provide Purchaser with a copy of the draft survey to be used in connection with obtaining all applicable Approvals and reflecting the proposed final configuration of the Land (the "Approvals Survey"), in order to obtain Purchaser's reasonable approval that the proposed boundaries of the Land are consistent with the terms of this Agreement in all material respects. Purchaser will be deemed to have approved such proposed "Approvals Survey" if Purchaser does not provide its reasonable objection to the boundaries set forth therein, in reasonable detail, within ten (10) Business Days from receipt from Seller. A "Business Day" shall mean any day other than a Saturday, a Sunday, or a federal or Oregon state holiday, or any local holiday where the County Record's office in the county where the Property is located is closed. Seller will provide periodic written updates to Purchaser regarding the status of the Approvals and information regarding any conditions that will be imposed in connection with issuance of the Approvals. Following issuance of the Approvals, Seller will provide a copy thereof to Purchaser's review and approval, which approval will not be unreasonably withheld, conditioned, or delayed provided that the Approvals are consistent with the terms of this Agreement and do not impose any conditions on the Land not previously approved by Seller. If, within ten (10) Business Days following receipt of same, Purchaser does not provide either (x) its unconditional approval of the Approvals (as contemplated in the previous sentence), or (y) written objection that properly identifies with reasonable specificity that the Approvals are not consistent with the terms of this Agreement and with all previously approved Approvals conditions, then Purchaser shall be deemed to have approved the Approvals. Following receipt of the Approvals and Purchaser's approval thereof, Seller will promptly proceed to (i) cause the approved application, survey, legal descriptions and adjustment deed to be recorded with the Columbia County deed records, and (ii) cause the approved survey to be filed with the County Surveyor. The BLA Process shall be considered "complete" upon completion of the activities in the previous sentence.
- 3. <u>Payment of Purchase Price</u>. The purchase price for the Property (the "**Purchase Price**") shall be of Seven Million Five Hundred Thousand and No/100 Only (\$7,500,000.00). The Purchase Price shall be payable as follows:
- (a) <u>Part Payment</u>. Part payment of the Purchase Price of Three Million Five Hundred Thousand and No/100 Dollars (\$3,500,000), as adjusted by the application of the Extension Deposit (as defined in <u>Section 5</u> below), and the proceeds of the Deposit (plus accrued interest thereon) and by the prorations and credits specified herein), shall be payable by wire transfer in immediately available federal funds at Closing.
- (b) <u>Deposit</u>; <u>Application of Deposit</u>. Within two (2) Business Days of the Effective Date, Purchaser shall deliver, by wire transfer or bank or cashier's check, at Purchaser's election, an amount equal to One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) (together with any accrued interest thereon, the "**Deposit**") to Ticor Title, St. Helens (Oregon) Office (the "**Escrow Holder**") 2534 Sykes Rd Suite C, St. Helens, Oregon 97051, Attention: Sy Thompson. The proceeds of the Deposit shall be

deposited and held by Escrow Holder as a deposit against the Purchase Price in accordance with the terms and provisions of this Agreement and shall be credited against the Purchase Price if the transaction Closes. If the transaction does not Close, the Deposit shall be disbursed in accordance with the terms of this Agreement. Seller agrees to reasonably cooperate with Buyer's efforts to cause Escrow Holder to be obligated to hold the Deposit in an interest earning account.

- (c) <u>Seller Loan</u>. At Closing, Purchaser shall deliver to Seller the Seller Financing Documents (defined and described below in <u>Section 8</u>), which shall include a Promissory Note in the original principal amount of Four Million Three Hundred Twenty Thousand and No/100 Dollars (\$4,320,000.00), with an eight percent (8%) per annum interest rate applied and such seller-carried financing amount shall be applied against the Purchase Price payable for the Property if the transaction Closes.
- 4. <u>Due Diligence Items</u>. Within ten (10) Business Days after the Effective Date Seller shall make available to Purchaser, via DropBox or other mutually acceptable online data sharing portal, copies of the materials set forth on Exhibit 4 attached hereto (the "Due Diligence Items"), to the extent such items are in Seller's possession or reasonable control. Seller shall provide Purchaser with confirmation of when all Due Diligence Items are available to Purchaser, and if Seller is late in providing such confirmation, then the Due Diligence Period will be extended by the same number of days that Seller is late in effecting such notice. If it is determined that Seller has omitted any material Due Diligence Item from the materials provided, Purchaser shall be provided with a reasonable extension of the Due Diligence Period as may be needed to allow Purchaser an opportunity to assess such omitted diligence material. In addition, with respect to such delay, to the extent that Buyer is reasonably delayed in completing its due diligence assessment of the Property on account of such missing materials (such that its due diligence investigation of the Property could not reasonably be completed during the Due Diligence Period on account of such omission), then in such instance Purchaser shall not be required pay the Extension Deposit defined below in Section 5 any earlier than the initial Due Diligence Period, plus whatever extensions that Seller is required to make pursuant to this Section 4. Purchaser acknowledges and understands that, except as may be expressly set forth in this Agreement, Seller makes no representation or warranty whatsoever, express or implied, regarding the Property or the accuracy or completeness of any information or documents provided to Purchaser regarding the Property, including, without limitation, regarding any hazards or dangers found at the Property. Purchaser acknowledges and agrees that, except as may be expressly set forth in this Agreement, all materials, data and information delivered by Seller to Purchaser in connection with the transaction contemplated hereby are provided to Purchaser as a convenience only and that any reliance on or use of such materials, data or information by Purchaser shall be at the sole risk of Purchaser. Without limiting the generality of the foregoing provisions, Purchaser acknowledges and agrees that, except as may be expressly set forth in this Agreement, (i) any reports or other information with respect to the Property which are delivered or otherwise made available by Seller to Purchaser shall be for general informational purposes only, (ii) Purchaser shall not have any right to rely on any such reports and/or information delivered or otherwise made available by Seller to Purchaser, but rather will rely on its own inspections and investigations of the Property and any reports commissioned by Purchaser with respect thereto, (iii) Purchaser shall not have any right to rely on any statements made by a representative of Seller, and (iv) neither any affiliate of Seller nor the person or entity which prepared any such reports and/or information delivered or otherwise made available by Seller to Purchaser shall have any liability to Purchaser for any inaccuracy in or omission from any such reports and/or information.

#### 5. <u>Due Diligence Period; Approval.</u>

(a) During the period (as may be extended by the express terms of this <u>Section 5</u>, the "**Due Diligence Period**") beginning on the Effective Date and ending at 5:00 p.m. Pacific time on the 90<sup>th</sup> day thereafter, Purchaser may conduct its due diligence assessment of the Property upon and subject to the terms of this Agreement. Purchaser shall have the one-time right to extend the term of the Due Diligence Period

by sixty (60) additional days (the "Extension Right"), exercisable by Buyer by both (i) providing Seller with written notice of its intent to exercise the Extension Right prior to the expiration of the original Due Diligence Period, and (ii) depositing Fifty Thousand and No/100 Dollars (\$50,000.00) into escrow with the Escrow Holder as an additional earnest money deposit (the "Extension Deposit"). Except as provided in Section 4, the Extension Right shall immediately expire and be of no further force and effect if not timely and properly exercised as provided herein above. Purchaser shall have no other rights to extend the Due Diligence Period other than the single Extension Right set forth above. The Extension Deposit shall be non-refundable immediately upon deposit with the Escrow Holder and shall only be refundable to Purchaser in connection with a termination and return of the Earnest Money as provided in Sections 15, 16, 17, and 25 of this Agreement. The Extension Deposit shall be applicable against the Purchase Price due at Closing.

- (b) If, prior to the expiration of the Due Diligence Period, based upon such review, examination or inspection, Purchaser determines in its sole and absolute discretion that it no longer intends to acquire the Property, then Purchaser may notify Seller of such determination in writing ("Disapproval Notice"). If Purchaser approves the Property and the results of its due diligence inspections and elects to proceed with the transaction in its sole discretion, then Purchaser shall notify Escrow Agent and Seller in writing ("Approval Notice"). If Purchaser does not deliver the Approval Notice to Seller and Escrow Agent prior to the expiration of the Due Diligence Period, or if Purchaser delivers a Disapproval Notice to Seller prior to the expiration of the Due Diligence Period, then in either instance this Agreement shall automatically terminate (except for those terms that expressly survive the termination of this Agreement) and the Deposit shall be immediately refunded to Purchaser without the need for further instruction. If Purchaser delivers the Approval Notice before the expiration of the Due Diligence Period, then this Agreement shall not terminate under this Section 5, and the Deposit shall cease to be refundable pursuant to this Section 5 and shall become nonrefundable except as expressly provided otherwise in this Agreement.
- 6. Entry and Inspection. During the Due Diligence Period and continuing until Closing, Purchaser and its designated agents and representatives shall have the right to go on the Property for the purpose of performing such non-invasive investigations, inspections, analyses, surveys, tests, examinations, and studies as Purchaser deems necessary or desirable in connection with Purchaser's proposed acquisition of the Property (subject to the conditions and limitations set forth herein); provided, however, that Purchaser shall not undertake a phase II environmental site assessment or any other invasive testing without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed. The results of all soil tests, surveys, phase I environmental site assessments, and other investigations of the Property undertaken by Purchaser shall not be disclosed to any third party or governmental entity without the prior written consent of Seller, unless such disclosure is required by law or is required in connection with obtaining any necessary permits or approvals; provided, however, that Purchaser shall be permitted to disclose such results to its design professionals, consultants, attorneys, and potential lenders and investors; provided, further, that such parties have been advised of the foregoing confidentiality obligation.

Such entry and inspection shall be subject to the following terms and conditions:

- (a) Seller may from time to time establish reasonable rules of conduct for Purchaser and Purchaser's Consultants upon the Real Property, from time to time, to ensure the safety of all parties upon such property. For purposes of this Agreement, a reference to a party's "Consultants" shall refer to such party's agents, employees, consultants, inspectors, appraisers, engineers, and contractors engaged in connection with assessing and consummating the transactions contemplated hereby.
- (b) Such entry shall be subject to not more than twelve (12) hours' prior written notice to Seller (which notice may be delivered via email message or text messaging), and such entry shall be conducted during the hours of 7 a.m. to 5 p.m., Monday through Friday, unless otherwise requested by Purchaser. To arrange access to the Property, Purchaser shall contact either John Walsh (Phone: 503.366.8211) or City

Facilities Manager Buck Tupper (Phone: 503.209.3371), or such other individuals as Seller may designate from time to time. Seller reserves the right to be present, or to have an agent present, in connection with any such entry.

- (c) neither Purchaser nor any of Purchaser's Consultants shall have any discussions (in connection with the due diligence being conducted by Purchaser) related to the Property or the transaction contemplated hereby with: (i) any of Seller's staff, officials, employees, agents, or other representatives, without having first obtained Seller's prior consent to such communications and discussions, which may be subject to such conditions as Seller may deem appropriate in its reasonable discretion; (ii) any Seller contractors providing services to the Property; or (iii) any other governmental authority having jurisdiction over the Property (other than ordinary contact associated with routine due diligence, including, without limitation, contacting those governmental agencies that are reasonably necessary in order for Purchaser to obtain a customary zoning report for the Property), unless, in each case, Purchaser obtains the prior written consent of Seller, which shall not be unreasonably withheld or conditioned by Seller.
- (d) Purchaser understands and acknowledges that it enters the Property at its own risk, and permission to enter the Property is conditioned upon Purchaser's agreement and acknowledgement of its assumed risk in entering the Property;
- (e) Each person or entity that enters the Property pursuant to this Agreement shall maintain, or cause to be maintained, the following insurance: (a) a policy of commercial general liability insurance, with a combined single limit of not less than One Million and No/100 Dollars (\$1,000,000.00) (per occurrence) and Two Million and No/100 Dollars (\$2,000,000.00) in the aggregate; (b) workers' compensation insurance in statutory limits where the Property is located; (c) employer's liability insurance in an amount not less than One Million and No/100 Dollars (\$1,000,000.00); and (d) automobile liability insurance in an amount not less than One Million and No/100 Dollars (\$1,000,000.00) for each accident. All policies shall name the applicable Seller and its agents, contractors, mortgagee, tenants, and such other parties as Seller may reasonably require as additional insureds, insuring against any injury or damage to persons or property that may result from or be related to such entry and testing, all in such forms as are acceptable to Seller and underwritten by an insurance company reasonably satisfactory to Seller. A certificate or other evidence of such insurance is to be provided to Seller before Purchaser's or any Purchaser's Consultant's first entry onto the Property.
- (f) Purchaser shall promptly repair any damage to the Property resulting from the performance of any inspections by Purchaser or Purchaser's Consultants. All such repairs shall: (i) restore the affected portion of the Property to substantially the same condition as existed prior to such damage in all material respects, and (ii) be completed promptly in a first-class manner, in accordance with applicable laws, and to Seller's reasonable satisfaction. Any restoration work remaining to be completed after thirty (30) days following termination of this Agreement may, at the option and in the sole discretion of Seller, be completed by Seller after giving Purchaser written notice with a minimum of five (5) Business Days within which to cure (which cure period shall be extended for so long as Purchaser is diligently pursuing a cure). Purchaser will reimburse Seller for any costs associated with any such restoration work within thirty (30) days after written demand from Seller for such costs, together with supporting invoices. This Section 6(f) shall survive the termination of this Agreement.
- (g) All activities performed by Purchaser and Purchaser's Consultants on the Property shall be at Purchaser's sole cost and expense. Purchaser shall not allow such entry or testing to result in mechanics' or materialmens' liens being recorded against the Property. Nothing contained in this Agreement shall be construed in any way as consenting to allow or authorizing Purchaser to subject the Property or the interest or estate of Seller to any lien or charge in respect of the work contemplated by this Agreement. Purchaser

shall immediately discharge of record any such mechanics' or materialmens' lien at Purchaser's sole cost and expense. This Section 6(g) shall survive the termination of this Agreement.

- (h) Purchaser shall indemnify, defend, and hold harmless Seller and Seller's shareholders, officers, directors, trustees, partners, principals, members, employees, agents, affiliates, representatives, consultants, accountants, contractors, and attorneys or other advisors, and any successors or assigns of the foregoing, from and against any and all losses, costs, damages, liens, claims, liabilities, or expenses (including, without limitation, costs and reasonable attorneys' fees), suffered or incurred by Seller or any indemnified party arising out of or in connection with any violation of, or failure to comply with, the provisions of this Agreement by Purchaser or Purchaser's Consultants, any activity conducted by Purchaser or Purchaser's Consultants in connection with this Agreement or the exercise of Purchaser's rights under this Agreement, except to the extent such losses, costs, damages, liens, claims, liabilities, or expenses are solely caused by an existing condition at the Property (and to the extent that Purchaser's activities exacerbate any such pre-existing condition, Purchaser shall only be liable to the extent of the exacerbation, but not the underlying condition) or are caused by the gross negligence or willful misconduct of any indemnified party. This Section 6(g) shall survive the termination of this Agreement.
- (i) If Purchaser elects not to proceed with the purchase of the Property, Purchaser shall promptly return to Seller copies of all due diligence materials delivered by Seller to Purchaser and shall destroy all copies and abstracts thereof, subject to Purchaser's customary document retention policies. In addition, if Purchaser elects not to proceed with the purchase of the Property, then at the request of Seller, Purchaser shall deliver to Seller, without representation or warranty by Purchaser or any right to rely thereon by Seller, copies of any third-party physical or environmental tests and reports of the Property made and conducted by Purchaser or Purchaser's Consultants that are in Purchaser's possession or control that Seller desires to receive. This Section 6(h) shall survive the termination of this Agreement.

#### 7. Title Defects.

- (a) Prior to execution of this Agreement, Seller has provided Purchaser with a current title report with respect to the Property from Escrow Holder, bearing an Effective Date of May 23, 2024 and bearing Order File No. 360424001689 (the "Title Report"). Within thirty (30) days of the Effective Date of this Agreement, Purchaser may deliver to Seller a written notice of any objections to title Purchaser may have (the "Objection Notice"), and such objections may be based upon any survey of the Property that Purchaser may elect to obtain. If Purchaser fails to deliver the Objection Notice in a timely manner, then Purchaser shall be deemed to have accepted all matters of record identified in the Title Report, and all such matters shall be deemed "Permitted Exceptions." If Purchaser delivers an Objection Notice to Seller, then within three (3) Business Days following receipt of such Objection Notice ("Seller Response Period"), Seller may deliver to Purchaser written notice that Seller has elected in its sole and absolute discretion to remove any, all or none of the objections identified in the Objection Notice (the "Objection Response"). Notwithstanding the foregoing, Purchaser shall not be obligated to object to any title encumbrances that can be removed solely by the payment of money, such as mortgages or statutory liens, and Seller shall convey title to the Property free and clear of any such encumbrances at Closing, additionally, in no event shall any of the foregoing encumbrances be deemed Permitted Exceptions.
- (b) If Seller does not timely deliver an Objection Response indicating that it will cure or remedy all of the title objections set forth in the Objection Notice, then Purchaser, at its election, shall have the right either to: (a) proceed to Closing, in which case Purchaser shall accept title to the Property subject to the objections that Seller has not agreed to cure or remedy (and such matters shall be deemed Permitted Exceptions); or (b) terminate this Agreement pursuant to Section 5 above. In addition, if Seller delivers an Objection Response but subsequently fails (despite the exercise of commercially reasonable good faith efforts) to cure or remedy all of the title objections that it had obligated itself to do so in the Objection

Response, then Purchaser, at its election, shall have the right either to: (a) proceed to Closing, in which case Purchaser shall accept title to the Property subject to the objections that Seller has failed to cure or remedy (and such matters shall be deemed Permitted Exceptions); or (b) terminate this Agreement by delivery of written notice to Seller prior to [January 15, 2024] (the Outside Closing Date. Upon any termination by Purchaser under this paragraph, Purchaser shall be entitled to receive the return of the Deposit.

(c) Seller shall cause no encumbrances or easements to be placed on or granted with respect to the Property, other than those existing as of the Effective Date, without the prior written consent of Purchaser. If any such encumbrances or easements arise prior to the Closing Date and Purchaser objects, then Seller shall, at their sole expense, cure the objections on or before the Closing Date.

### 8. <u>Seller Financing</u>; Additional Transaction Terms.

- (a) Purchaser shall execute and deliver to Seller at Closing, in connection with Seller's financing of a portion of the Purchase Price post-closing, the seller-financing loan documents attached hereto as **Exhibit 8(a)-1** (Promissory Note), **Exhibit 8(a)-2** (Deed of Trust), and **Exhibit 8(a)-3** (Environmental Indemnity) (collectively, the "**Seller Financing Documents**"). The Deed of Trust that is part of the Seller Financing Documents shall be recorded at Closing immediately following recording of the Deed (defined below) with no intervening recorded items, and shall be a Permitted Exception, notwithstanding any provision in this Agreement to the contrary.
- (b) During the Due Diligence Period, Purchaser and Seller shall negotiate in good faith the terms and conditions of an ancillary agreement (the "Ancillary Agreement") that the parties will execute and deliver at Closing, pursuant to which the Parties hereto will agree upon the terms and conditions generally described in this Section 8(b). If the Parties fail to reach reasonable agreement upon the terms and conditions of the Ancillary Agreement prior to the end of the Due Diligence Period, then Buyer may elect to either (x) terminate this Agreement and receive a refund of the Earnest Money, or (y) proceed to Closing and be deemed to have waived the requirement that the Ancillary Agreement be executed by the Parties and delivered at Closing. The Ancillary Agreement shall contain the following terms:
  - (i) Seller shall grant to Purchaser an easement from the river water pump house to the freshwater clarifier (in a location to be mutually agreed upon) to facilitate the exercise of the rights granted to Purchaser in the Ancillary Agreement described in subsection (b)(ii) below (the "Pump House Easement"). Purchaser shall be granted a license that will allow Purchaser to use the primary effluent clarifier and support equipment located on Parcel 18 (the "Clarifier System") for a period of (5) years after Closing while Purchaser designs and builds a new effluent treatment system on or near the Premises (the "Purchaser Clarifier System"). If and for so long as Purchaser uses the Clarifier System, Purchaser shall be responsible for all maintenance and repair that may be reasonably necessary or appropriate in order to keep such system in good condition and repair. Purchaser's use of the Clarifier System shall not be permitted to, at any time, violate the terms, conditions, requirements, and limitations set forth in any permits related to the use, operation, and maintenance of the Clarifier System. Purchaser will be solely responsible for, and will indemnity Seller against all claims, costs, expenses, loss, and liability, arising from or related to any violations and/or alleged violations of the National Pollutant Discharge Elimination System permit for the Clarifier System arising after the Closing date and execution of the Ancillary Agreement (including, without limitation, any costs by Seller incurred in responding to alleged violations arising during Purchaser's exclusive operation of the Clarifier System). The Ancillary Agreement shall require Seller to grant to Purchaser an easement to connect the discharge of the Purchaser Clarifier System to the discharge pipe of the Clarifier System (the "Purchaser System Easement"), with the easement containing and being subject to such terms, limitations, and requirements as the parties. The form of the New System Easement shall be attached to the

Ancillary Agreement, and the easement shall be executed and recorded upon Purchaser's commencement of construction of a Purchaser Clarifier System that complies with the requirements of the Ancillary Agreement (and the Purchaser System Easement). For clarity sake, with respect to the Purchaser Clarifier System, Purchaser shall not be allowed to connect to the "input" side of the existing Clarifier System; rather Purchaser will be required to bypass the current Clarifier System and shall connect to a new system on the "discharge" side of the existing clarifier system. In the event that Seller has, or anticipates having the in future, other users utilizing the Clarifier System after the Purchaser Clarifier System's installations on such existing system, then Purchaser shall install a separate flow meter so that Purchaser's effluent can be monitored and billed separately from other users.

- (ii) The Ancillary Agreement shall address certain terms, conditions, and requirements pursuant to which Purchaser having the right to control and use the river water intake pumps and screen (the "Water Intake System") that provide fire suppression and process water to the Property. The Ancillary Agreement with respect to Purchaser's assumption of control of Water Intake System shall include, without limitation: (x) pursuant to a water supply agreement between Seller and Purchaser, Seller providing Purchaser with water supply (for use as fire suppression and process water for the Property) equal to up to fifty percent (50%) of the total gallons per day of water supply that Seller is permitted from time to time to draw from the Willamette River and deliver to the Property and surrounding parcels of land pursuant to the applicable grant of water rights held by Seller (e.g., as of the date hereof, such amount is Forty Million (40,000,000) gallons per day, which results in no more than Twenty Million (20,000,000) gallons per day being available to Purchaser); (y) ensuring that any necessary maintenance and repairs to the same shall be performed by Purchaser; and (z) Purchaser expressly assumes all liability and obligations arising in connection with the provision of fire protection water to adjacent properties (as addressed in greater detail below in subsection (b)(iii)). Should Seller receive notification that its water allocation will be reduced in any given year, Seller agrees to notify Purchaser within 5 business days of receipt of such notice. .
- The fire protection system is designed for the operation of the paper mill and (iii) currently provides fire protection water to all certain adjacent properties currently connected to the fire protection water system. Purchaser must continue to operate the Water Intake System and the fire protection water system specifically in a manner to continue to provide such water to the adjacent connected properties until such time as Purchaser and the adjacent property owners reach an agreement to enable the separation of the fire protection system; provided, however, that Purchaser's obligations stated above shall be limited only to using the existing piping from the Property to the adjacent connected properties consistent with Seller's current practices at the Property. Purchaser intends to operate this such system within the requirements of Factory Mutual, Purchaser's insurance provider, as well as local and state fire codes and regulations; and to have on-site and third-party 24/7 fire monitoring. Notwithstanding any provision of this Agreement or the Ancillary Agreement to the contrary, Seller shall have no obligation to oversee Purchaser's use, control, maintenance, repair, and replacement of the Water Intake System and fire protection water systems, as all liability and responsibility with respect to such systems shall lie with Purchaser (who shall indemnify Seller against all liability, loss, cost, and expenses arising in connection with Purchaser's operations of the system). Nonetheless, if Seller requires access to the following items, in order to preserve any legal rights of Seller or to protect against any legal liabilities asserted against Seller, then in such event Purchaser shall make the following available for Seller's review Purchaser's: (i) fire protection monitoring system, (ii) fire protection preventative maintenance logs, as well as (iii) access to the pump houses and related equipment.

- (iv) Purchaser shall be obligated to comply with all applicable stormwater permitting requirements and shall be solely responsible for addressing at its sole cost and expense all matters related thereto (including, without limitation, the overseeing all active onsite actions needed to comply with the Property's stormwater management plan), to maintain documentation regarding the same, and to provide Seller with copies of the same on such intervals as the Seller may require.
- (v) With respect to any permits held or required in connection with the use and operation of the Property, whether held in Purchaser's name or Seller's, the Purchaser shall bear sole liability in connection with any violations of or non-compliance with any such permits, and shall indemnify Seller against all claims, costs, losses, and expenses arising in connection with such violations and non-compliances.

### 9. Closing.

- (a) <u>Close of Escrow</u>. The closing of the purchase and sale of the Property pursuant to this Agreement (the "Closing," "Close" or "Closed") shall take place through Escrow (as defined below) on \_\_\_\_\_\_, 2024 (the "Closing Date"). The Outside Closing Date may not be extended without the prior written approval of both Seller and Purchaser.
- (b) <u>Payment of the Purchase Price</u>. The Purchase Price shall be paid by Purchaser at Closing in accordance with the requirements of <u>Section 3</u> above, and all documents necessary for the consummation of the purchase and sale transaction contemplated hereby shall be executed and delivered to Escrow Holder on or before the Closing Date. Seller shall deliver possession of the Property to Purchaser at the Closing.
- 10. <u>Seller's Closing Deliveries</u>. Seller shall execute, notarize (when applicable), and deliver to Escrow Holder (to be delivered to Purchaser at the Closing) the following documents (the "Seller Closing Documents") no later than one (1) business day prior to the Closing Date:
- (a) A statutory bargain and sale deed (the "Deed"), conveying marketable, insurable fee simple title to the applicable portion of the Property that such Seller owns, free and clear of all liens and encumbrances except only the following items (collectively referred to as the "Permitted Exceptions"): (1) ad valorem real property taxes for the calendar year of sale (to be prorated as of the Closing Date), (2) municipal, zoning and subdivision laws and ordinances, (3) matters that would be disclosed by an accurate survey of the Property, and (4) matters of record that are either approved, deemed approved, deemed to be Permitted Exceptions, or not objected to in a timely manner by Purchaser under Section 7.
- (b) An owner's affidavit in commercially reasonable form affirming that there are no outstanding possessory rights, liens or rights to claim liens against the Property, and any other affidavits commercially reasonably required by Escrow Holder.
  - (c) A Bill of Sale duly executed by Seller in the form attached hereto as **Exhibit 10(c)**.
- (d) Two (2) counterparts of an Assignment and Assumption of Intangible Property duly executed by Seller, assigning and conveying to Purchaser Seller's interest in, to and under the Intangible Property, in the form attached hereto as in the form of **Exhibit 10(d)** attached hereto;
- (e) An affidavit in a form complying with law that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act;
  - (f) [Intentionally Omitted.]

- (g) To the extent in the possession or control of Seller, all keys for the Property with identification of the lock to which each such key relates (to be delivered outside of Escrow);
  - (h) Information sufficient for the closing agent to prepare an IRS Form 1099;
- (i) A closing statement reflecting the Purchase Price and all adjustments, prorations and credits thereto, and such disbursements as the parties collectively desire to reflect thereon in connection with the transaction contemplated hereby (the "Closing Statement"); and
- (j) Resolutions, incumbency certificates and such other documentation as may be reasonably required by Escrow Holder to confirm Seller's authority to undertake and consummate the Closing.
- 11. <u>Purchaser Closing Documents</u>. At Closing, Purchaser shall execute, notarize (when applicable), and deliver to Escrow Holder (to be delivered to Seller at the Closing) the following items (the "**Purchaser Closing Documents**"):
- (a) Two (2) counterparts of the Assignment and Assumption of Intangible Property described above;
  - (b) The Seller Financing Documents;
- (c) Such corporate, partnership or other organization or formation documents, resolutions, authorizations, certificates of incumbency, certificates of good standing, and other documentation with respect to Purchaser as Escrow Holder may require in order to cause the Closing to occur or in order to issue the Title Policy (which documents shall be delivered to Escrow Holder only, and shall not be delivered to Seller); and
  - (d) The Closing Statement.
- 12. <u>Closing Expenses</u>. Each party shall be responsible for the following closing expenses:
  - (i) Seller shall be responsible for: (1) the cost of preparing the Deed, (2) the payment of any transfer taxes or real estate excise taxes on the Deed, (3) the cost of curing any title defects that Seller is obligated to cure under <u>Section 7</u>, (4) one-half of any fees and expenses charged by the closing escrow agent, (5) Seller shall pay the premium for the Standard Coverage Owner's Title Policy, and (6) the costs associated with the BLA Process.
  - (ii) Purchaser shall be responsible for: (1) all other recording costs not covered in <u>Section 12(a)</u> above, (2) the cost of title examination, (3) the incremental premium cost of any extended coverage and any endorsements to the Title Policy requested by Purchaser, (4) the cost of any survey Purchaser obtains, (5) the cost of all other due diligence investigations, (6) one-half of any fees and expenses charged by the closing escrow agent, and (7) the cost of the premium for a lender's policy of title insurance with respect to the lien of the Deed of Trust that comprises one of the Seller Financing Documents upon the Property.
  - (iii) The parties will each be responsible for all of their other closing costs, including their respective attorneys' fees.
- 13. <u>Property Taxes</u>. City and/or County ad valorem taxes on the Property for the tax year in which the Closing occurs shall be prorated as of the Closing Date. If the actual amount of those taxes and assessments is not known on the Closing Date, they shall be prorated on the basis of the amount of taxes and assessments

payable for prior tax year and shall be adjusted between the parties when the actual amount of taxes and assessments payable in the tax year of Closing is known to Purchaser and Seller. The provisions of this Section 13 shall survive Closing.

#### 14. Prorations.

- (a) <u>Prorations.</u> Except as otherwise expressly provided herein, all prorations under this <u>Section 14(a)</u> shall be made as of 12:01 a.m. (Pacific Time) on the day of the Closing (the "**Proration Cutoff**") so that the Purchaser is deemed to own the Property on the day of Closing for proration purposes; and (ii) shall be made on the basis of the actual number of days in the appropriate proration periods. The following items shall be credited to the parties or shall be prorated by the parties as of the Closing, as applicable, with Seller responsible for expenses and entitled to revenues accruing prior to the Proration Cutoff, and Purchaser responsible for expenses and entitled to revenues accruing after the Proration Cutoff.
- (b) Operating Costs. Utilities, services, and all other operating expenses with respect to the Property shall be prorated based upon the latest available information, such that Seller shall be responsible for all such costs and expenses relating to the period up to the Proration Cutoff, and Purchaser shall be responsible for all such costs and expenses relating to the period from and after the Proration Cutoff. Seller shall use commercially reasonable efforts to have all meters read for all utilities servicing the Property including water, gas and electricity for the period to the Proration Cutoff and shall pay all bills rendered on the basis of such readings (provided, however, Purchaser shall be responsible for any and all fees and charges relating to the changeover of all such services and utilities). Premiums for casualty and liability insurance shall not be prorated as Purchaser will be obtaining its own insurance effective from and after the Proration Cutoff. Seller agrees to reasonably cooperate with Purchaser in connection with the transfer of all Property utility accounts.
- (c) <u>Utility Deposits</u>. Purchaser shall be responsible for making any deposits required with utility companies.
- (d) Final Adjustment After Closing. If final prorations cannot be made at Closing for any item being prorated under this Section 14, then Purchaser and Seller agrees to allocate such items on a fair and equitable basis as soon as invoices or bills are available and applicable reconciliations with tenants have been completed, with final adjustment to be made as soon as reasonably possible after the Closing but no later than 180 days after the Closing, to the effect that income and expenses are received and paid by the parties on an accrual basis with respect to their period of ownership. Payments in connection with the final adjustment shall be due within 10 days of written notice. Seller and Purchaser shall each have reasonable access to, and the right to inspect and audit, the other's books to confirm the final prorations.
- (e) <u>Survival</u>. The provisions of this <u>Section 14</u> shall survive the Closing for twelve (12) months.

### 15. <u>Closing Conditions</u>.

- (a) <u>Purchaser's Closing Conditions</u>. Purchaser's obligations under this Agreement shall be subject to the satisfaction of the following conditions at or prior to Closing (any of which may be waived by Purchaser by giving written notice of waiver to Seller):
  - (i) Seller shall have delivered into escrow for release to Purchaser upon Closing the Seller Closing Documents, and each of Seller's representations and warranties in this Agreement shall be true; and

- (ii) The BLA Process shall be complete as provided in <u>Section 2</u> above.
- (b) <u>Seller's Closing Conditions</u>. In addition to all other conditions to Seller's obligations in this Agreement, obligations under this Agreement shall be subject to the satisfaction of the following conditions at or prior to Closing (any of which may be waived by Purchaser by giving written notice of waiver to Seller):
  - (i) Purchaser shall have delivered into escrow for release to Seller upon Closing the Purchaser Closing Documents and the Purchase Price, and each of Purchaser's representations and warranties in this Agreement shall be true, accurate and complete in all material respects as of the Closing Date; and
  - (ii) Seller has obtained written consent from Boise Cascade/Office Max to assign to Purchaser at Closing the portion of the Boise Cascade/Office Max fifty (50) year (for years 2015 to 2065) environmental indemnity issued to Seller ("Office Max Indemnity") applicable to the Property only, and has delivered to Purchaser such consent. [For purposes of clarification, to the extent that the Office Max Indemnity pertains to land owned by Seller in excess of the Property, Seller shall retain all Office Max Indemnity rights applicable to such Seller-owned land, and shall not be obligated to assign such indemnity rights.] Seller shall (x) use good faith, commercially reasonable efforts to obtain all necessary consents to such assignment of the Office Max Indemnity as may be legally required on commercially reasonable terms, and (y) deliver to Purchaser at Closing an executed assignment of such Office Max Indemnity in a form reasonably acceptable to Seller and Purchaser, and acceptable to all consenting parties in their sole discretion (the "Indemnity Assignment," which Purchaser shall counter-sign at Closing). If Seller, despite its good faith, commercially reasonable efforts, is not able to deliver the Indemnity Assignment at Closing in accordance with the foregoing, due to being unable to obtain the consent of all applicable consenting parties, then this condition will be deemed unsatisfied, but Seller shall not be deemed to have defaulted in its obligations under this Agreement; and
    - (iii) The BLA Process shall be complete as provided in Section 2 above.
- Waiver of Conditions Precedent. In the event any of the conditions set forth in Sections 15(a) or 15(b) are not fulfilled or waived, the party benefited by such conditions may, by written notice to the other party, terminate this Agreement, whereupon all rights and obligations hereunder of each party shall be at an end except those that expressly survive any termination. Either party may, at its election, at any time on or before the date specified for the satisfaction of the condition, waive in writing the benefit of any of the conditions set forth in Sections 15(a) and 15(b) above. If this Agreement is terminated by Purchaser as a result of failure of any condition set forth in Section 15(a) above, then Purchaser shall be entitled to a refund of the Deposit and if such failure is the result of a Seller default under this Agreement, Purchaser shall have its remedies (if any) under Section 25 below. If this Agreement is terminated as a result of the condition set forth in Section 15(b) above, then Seller shall have its remedies (if any) under Section 25 below. Unless the failure of any condition is the result of a party's default hereunder (in which event such defaulting party shall pay all cancellation charges), the parties shall each pay one half (1/2) of all title or escrow cancellation charges. In any event, Seller's and Purchaser's consent to the Closing pursuant to this Agreement shall waive any remaining unfulfilled conditions in favor of the consenting party, and any liability on the part of the other party for breaches of representations, warranties and covenants, to the extent the same survive the Closing, of which the consenting party had actual knowledge as of the Closing.
- 16. <u>Damage or Condemnation</u>. Risk of loss resulting from any condemnation or eminent domain proceeding which is commenced or has been threatened before the Closing, and risk of loss to the Property

due to fire, flood or any other cause before the Closing, shall remain with Seller until Closing occurs. If before the Closing the Property shall be materially damaged, or if the Property or any material portion thereof, or any portion thereof that entitles the tenant to terminate all or any portion of any Lease or to abate any rent thereunder, shall be subjected to a bona fide threat of condemnation or shall become the subject of any proceedings, judicial, administrative or otherwise, with respect to the taking by eminent domain or condemnation, then Purchaser may terminate this Agreement by written notice to Seller given within ten (10) Business Days after Purchaser learns of the damage or taking (Seller shall provide prompt written notice to Purchaser upon Seller becoming aware of the same), in which event the Deposit shall be returned to Purchaser. If the Closing Date is within the aforesaid ten (10) business day period, then Closing shall be extended to the next business day following the end of said ten (10) business day period. If no such election is made, and in any event if the damage (or, in the case of a taking, the affected portion of the Property) is not material, this Agreement shall remain in full force and effect and the purchase contemplated herein, less any interest taken by eminent domain or condemnation, shall be effected with no further adjustment, and upon the Closing of this purchase, Seller shall assign, transfer and set over to Purchaser all of the right, title and interest of Seller in and to any awards that have been or that may thereafter be made for such taking, and Seller shall assign, transfer and set over to Purchaser any insurance proceeds not applied to the repair of the Property prior to Closing (provided that any such repair and the cost thereof shall be subject to the prior written consent of Purchaser not to be unreasonably withheld, conditioned or delayed) that may thereafter be made for such damage or destruction, and, to the extent that any portion of such repair or restoration is uninsured or subject to a deductible, Seller shall pay or credit to Purchaser the amount of such uninsured amount and deductible (but not to exceed the amount of the loss). For the purposes of this Section 16, the phrases "material damage" and "materially damaged" means damage for which the cost to repair is reasonably estimated to be in excess of Two Hundred Thousand and No/100 Dollars (\$200,000.00), or damage which entitles any tenant to terminate all or any portion of its lease or to abate any rent thereunder. The provisions of this Section 16 supersede the provisions of any applicable laws with respect to the subject matter of this Section 16.

- 17. **Representations and Warranties of Seller**. Seller represents and warrants to Purchaser as follows:
- (a) <u>Organization and Power</u>. Seller (i) is a limited liability company duly created and validly existing under the laws of the State of Oregon, (ii) has all requisite power and authority to own the portion of the Property that such Seller is selling pursuant to this Agreement and to enter into this Agreement and perform its obligations hereunder.
- (b) <u>Non-Contravention</u>. The execution and performance of this Agreement by Seller, and the Closing contemplated by this Agreement, will not conflict with any provision of law applicable to Seller, nor will it result in the breach of any provision of, or constitute a default under, any agreement or instrument to which Seller is a party or by which Seller is bound.
- (c) <u>Authorization and Execution</u>. This Agreement and the documents to be delivered by Seller at the Closing have been or will be duly authorized by all necessary company action on the part of Seller and have been or will be duly executed and delivered by Seller.
- (d) <u>Bankruptcy</u>. The Seller has (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Seller's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Seller's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Seller's assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

- (e) <u>Service Contracts</u>. The list of Service Contracts affecting the Property attached hereto as **Exhibit 17(e)** is true, correct, and complete. To Seller's knowledge, no other party is in material default under any Service Contract.
- (f) <u>Violation of Laws</u>. Seller has received no written notice from any governmental authority with jurisdiction over the Property of any current violation by the Property of any laws (including, without limitation, environmental laws), ordinances or regulations applicable to the Property (which remains uncured, and, to Seller's knowledge, Seller is in compliance with any past notices of past violations.
- (g) <u>Litigation</u>. There is no material litigation pending or, to Seller's knowledge, threatened in writing against Seller that arises out of the ownership of the Property that will not be disposed of prior to Closing, except as disclosed on <u>Exhibit 17(g)</u>.
- (h) <u>No Condemnation</u>. As of the Effective Date, no condemnation or eminent domain proceedings are pending or threatened against the Property.
- (i) <u>No Options</u>. Seller has not granted any option, right of first offer, right of first refusal or other right to purchase the Property (or any part thereof or interest therein) to any person other than Purchaser, or to parties who have heretofore waived such rights in writing (and thus no longer have any such rights).
- (j) <u>Personal Property</u>. The Personal Property to be conveyed to Purchaser hereunder is free and clear of any liens, leases or other encumbrances.

References in this <u>Section 17</u> to the "knowledge" of Seller shall refer only to the current actual knowledge of Seller's City Administrator John Walsh, the Director of Seller's Public Works Department, and the Director the Seller's Facilities Department (collectively, the "**Knowledge Parties**"), and shall not be construed, by imputation or otherwise, to refer to the knowledge of Seller, or any affiliate of Seller, to any property manager, or to any other member, manager, agent, representative or employee of Seller or any affiliate thereof, or to impose upon such Knowledge Parties any duty to investigate the matter to which such actual knowledge, or the absence thereof, pertains.

If any of the foregoing representations and warranties is of a material nature and is not true in any material respect when made, or when re-certified at Closing, Purchaser may consider such material misrepresentation to be a default under this Agreement, entitling Purchaser to pursue the remedies set forth in Section 17; provided, however, that with respect to any representation or warranty made to the knowledge of Seller, Purchaser shall be entitled to exercise default remedies only if the substance of the representation or warranty is materially untrue, and if such untruth was known to Seller at the time the representation or warranty was made (or re-certified). If any of the foregoing representations and warranties is true as of the Effective Date, but is not true as of the Closing Date as a result of a matter, circumstance or event beyond the reasonable control of Seller, Purchaser shall not be entitled to consider the untruth of the representation or warranty as an event of default under this Agreement, but instead Purchaser may, at its election and as its sole remedy, terminate this Agreement by delivery of written notice to Seller, and in that event Purchaser shall be entitled to a return of the Deposit.

The representations and warranties of Seller set forth in this <u>Section 17</u> shall survive Closing for a period of eighteen (18) months (the "**Survival Period**").

18. Representations and Warranties of Purchaser. Purchaser hereby represents and warrants that:

- (a) Purchaser is a duly organized, validly existing and in good standing under the laws of the state of its formation, with full right, power and authority as of the Closing Date to take title to the Property and to enter into and otherwise perform and comply with the terms of this Agreement.
- (b) This Agreement and all documents executed by Purchaser that are to be delivered to Seller at Closing have been or will be authorized by all necessary company action on the part of Purchaser and have been or will be duly executed and delivered by Purchaser.
- (c) Purchaser (a) is not a person, group, entity or nation described in Section 1 of Executive Order 13224 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism 66 Fed. Reg. 49079 (dated September 23, 2001, effective September 24, 2001), (b) is not a (and is not acting, directly or indirectly, for or on behalf of any) person, group, entity or nation designated by any Executive Order or the United States Treasury Department as a terrorist, a "Specially Designated National" or "Blocked Person," or other banned or blocked person, group, entity or nation pursuant to any applicable laws that are administered or enforced by the Office of Foreign Assets Control, (c) is not initiating, facilitating or engaging in the transaction contemplated by this Agreement, directly or indirectly, for or on behalf of any such person, group, entity or nation, and (d), to Purchaser's knowledge, does not engage in any dealings or transactions, and is not otherwise associated, with any such person, group, entity or nation.
- Cap on Liability. Each party agrees to defend and indemnify the other against any claim, liability. damage or expense asserted against or suffered by such other party arising out of the breach or inaccuracy of any representation or warranty by such party set forth in Section 17 or 18, as applicable. Notwithstanding the foregoing, Purchaser shall have no right to bring a cause of action or to seek indemnification for a breach of a representation or warranty unless: (i) the damage to Purchaser on account of such breach (individually or when combined with damages from other breaches) equals or exceeds Twenty-Five Thousand Dollars (\$25,000.00) (the "Liability Floor"); and (ii) such action is timely filed in a court of competent jurisdiction prior to expiration of the Survival Period. Additionally, in no event shall the Seller's aggregate liability under this Agreement for any breach or breaches of representations or warranties exceed Five Hundred Thousand and No/100 Dollars (\$500,000.00) (the "Liability Cap"). Notwithstanding anything to the contrary contained in this Agreement, NO CLAIM FOR A BREACH OF ANY REPRESENTATION OR WARRANTY OR COVENANT OF SELLER SHALL BE ACTIONABLE OR PAYABLE IF THE BREACH IN QUESTION WAS ACTUALLY KNOWN TO PURCHASER PRIOR TO CLOSING. If the breach occurs or becomes known to Purchaser after Closing, a claim for a breach of any representation, warranty or covenant of Seller shall be actionable only if the valid claims for all such breaches collectively aggregate more than Liability Floor, in which event the full amount of such claim shall be actionable up to the Liability Cap, and provided an action thereon shall have been filed by Purchaser against Seller prior to the expiration of the Survival Period. Notwithstanding the foregoing, however, (a) the Liability Cap shall not apply to or limit Seller's liability for fraud, (b) any attorneys' fees awarded pursuant to Section 26 below shall not be subject to, and any such attorneys' fees shall not count towards, the Liability Cap, or (c) Seller's indemnity obligations under Section 23 below.
- 20. <u>Seller Covenants</u>. Between the Effective Date and the Closing or earlier termination of this Agreement, Seller covenants and agrees as follows:
- (a) Seller shall continue to operate, maintain and lease the Property in the same manner in which Seller is currently operating, maintaining and leasing the Property.
- (b) Seller shall maintain all casualty, liability and hazard insurance currently in force with respect to the Property.

- (c) Seller shall not lease, sell, mortgage, pledge, hypothecate or otherwise transfer or dispose of the Property or any interest therein or part thereof, nor shall Seller initiate, consent to approve or otherwise take any action with respect to zoning or any other governmental rules or regulations applicable to the Property.
- (d) Prior to Closing, Seller shall (i) promptly deliver notices to Purchaser of any action, litigation, arbitrations, violations, mediation, reference, condemnation or other proceeding that either materially adversely affects, or that has the potential to materially adversely affect, the Property, or the use, possession or occupancy thereof (each, a "Material Adverse Event"), and (ii) defend or otherwise address such Material Adverse Event at Seller's expense, in the ordinary course of business, and consistent with Seller's past business practices.
- (e) To the extent permitted by applicable laws, ordinances, and regulations, Seller shall: (i) provide reasonable authorization and reasonable letters of support to the public and/or government entities stating Seller's support for the Purchaser's proposed development of the Property, as may be requested by Purchaser from time-to-time; and (ii) following Purchaser's written request, Seller will reasonably cooperate (at no material cost to Seller and subject to Seller's discretion regarding each such request) with Purchaser's requests for a representative to provide comments regarding the Seller's support of Purchaser's acquisition and operation of the Property as a paper production facility. Seller shall not be required to undertake any material cost or expense in connection with provision of the cooperation and assistance to Purchaser required by this Section (e).
- 21. Property Purchased "AS IS". Except as expressly set forth in this Agreement, the Property is being sold and conveyed "as is" and "with all faults" and Seller has not made, do not make, and hereby disclaims any and all express or implied representations and warranties regarding or relating to the condition, suitability for any particular purpose, susceptibility to flooding, value, marketability, zoning of the Property, or with respect to use and occupancy restrictions, compliance with environmental laws and laws and regulations relating to hazardous substances, toxic wastes and underground storage tanks, and all legal requirements affecting or relating to the Property. Purchaser acknowledges that, except as expressly set forth in this Agreement, no such representations or warranties, express or implied, have been made. Purchaser hereby agrees that approval or deemed approval of the Property and proceeding with Closing shall constitute an acknowledgment that Purchaser: (i) has concluded whatever studies, tests, and investigations Purchaser desired to conduct relating to the Property including, without limitation, economic reviews and analyses, soils tests, engineering analyses, environmental analyses and analysis of any applicable records of the planning, building, public works or any other governmental or quasi-governmental organization having or asserting jurisdiction over the Property; (ii) has reviewed and read (or has elected not to do so) and has understood all instruments affecting the Property and/or its value which Purchaser deems relevant, including, without limiting the generality of the foregoing, all documents referred to in the Commitment and all leases, operating statements, demographic studies and market analyses; (iii) and its consultants have made all such independent studies, analyses and investigations, as Purchaser has deemed necessary, including, without limitation, those relating to environmental matters and the leasing, occupancy and income of the Property; (iv) is relying solely on the express representations and warranties contained in this Agreement and on its own investigations as to the Property and its value, and Purchaser accepts the risk that its investigations may fail to reveal certain adverse physical, economic or other conditions (including, without limitation, adverse environmental conditions (including, without limitation, soils and groundwater conditions) and status of compliance with the requirements of the Americans With Disabilities Act of 1990 or the Fair Housing Act of 1968, as amended); and (v) that Seller has given Purchaser every opportunity to consider, inspect and review to its satisfaction the physical, environmental, economic and legal condition of the Property and all files and information in any Seller's possession which Purchaser deems material to the purchase of the Property. Purchaser, moreover, acknowledges that it has not received from Seller any accounting, tax, legal, architectural, engineering, property management or other advice

with respect to this transaction and is relying solely upon the advice of its own accounting, tax, legal, architectural, engineering, property management and other advisors. The terms and covenants of this Section 21 shall survive the Closing and the delivery of the deed for the Property or any termination of this Agreement.

- 22. <u>Survival</u>. None of the terms, covenants, conditions, representations, warranties and agreements of this Agreement shall survive the Closing Date, except as otherwise expressly provided to the contrary in this Agreement.
- 23. Real Estate Commissions. Purchaser and Seller represent and warrant to each other that no brokers' or real estate commissions will be due as a result of the sale of the Property from their respective actions if the sale of the Property occurs. Seller agrees to indemnify, defend and save harmless Purchaser from and against any cost and expense (including reasonable attorneys' fees) incurred by Purchaser as a result of the untruth of the foregoing representation by Seller, or any claims by a broker for payment of a commission by Purchaser based upon the actions of Seller. Purchaser agrees to indemnify, defend and save harmless the Seller from and against any cost and expense (including reasonable attorneys' fees) incurred by Seller as a result of the untruth of the foregoing representation by Purchaser, or any claims by a broker for payment of a commission by Seller based upon the actions of Purchaser. The terms and covenants of this Section 23 shall survive the Closing.
- 24. **Assignment.** Purchaser shall have the right to assign this Agreement or any part thereof, and its rights hereunder, without the necessity of obtaining the prior consent of Seller, only to: (i) a wholly-owned subsidiary; or (ii) a "Qualified Intermediary" for the purpose of facilitating the completion of a tax-free exchange of properties by Purchaser as contemplated in Section 33 below. No other assignment of Purchaser's rights under this Agreement shall be permitted without first obtaining Seller's written consent, which may be granted, withheld or conditioned in Seller's sole discretion. In each instance, (x) Purchaser's permitted assignee under this Section 24 shall assume in writing all obligations of Purchaser under this Agreement and shall agree to execute all necessary documents which Purchaser is obligated to execute pursuant to the terms and provisions of this Agreement; provided, however, that in the event of an assignment by Purchaser to a Qualified Intermediary that does not take title to the Property, the only obligation of Purchaser that the Qualified Intermediary shall be obligated to assume is the obligation to pay the Purchase Price, (y) Seller shall receive a fully-executed original of the instrument of assignment (which shall expressly state that Seller is a third-party beneficiary with respect to its terms and provisions) and (z) the party named in this Agreement as "Purchaser" shall continue to be primarily liable for all of Purchaser's duties, obligations and liabilities under this Agreement.

### 25. **Default**.

(a) If Purchaser defaults in its obligations under this Agreement for any reason except for a default by Seller, Seller shall be entitled to terminate this Agreement by delivery of written notice to Purchaser, and to receive and retain the Deposit as liquidated and agreed upon damages, as its sole and exclusive remedy against Purchaser for Purchaser's default. The parties agree that the Deposit is a fair and reasonable measure of the damages to be suffered by Seller in the event of such default and that the exact amount thereof is incapable of ascertainment. THIS PROVISION SHALL NOT LIMIT OR RESTRICT SELLER'S RIGHT TO RECOVER ITS ATTORNEYS' FEES AND COSTS IN ANY ACTION, PROCEEDING OR ARBITRATION ARISING FROM THIS AGREEMENT, OR SELLER'S RIGHTS AND PURCHASER'S OBLIGATIONS UNDER ANY INDEMNITY PROVISIONS CONTAINED IN THIS AGREEMENT AND, IF SUCH LIQUIDATED DAMAGES ARE APPLICABLE, SELLER SHALL BE ENTITLED TO RECOVERY OF ALL AMOUNTS PAYABLE WITH RESPECT TO THOSE PROVISIONS IN ADDITION TO THE LIQUIDATED DAMAGES PAYABLE UNDER THIS SECTION 25(a). SELLER KNOWINGLY WAIVES ANY OTHER RIGHTS OR REMEDIES, INCLUDING

WITHOUT LIMITATION, ANY RIGHT OR CLAIM TO ACTUAL, CONSEQUENTIAL, INCIDENTAL AND PUNITIVE DAMAGES AND ANY RIGHT OF SPECIFIC PERFORMANCE.

- (b) If Seller defaults in its obligations under this Agreement for any reason except for a default by Purchaser, Purchaser may, as Purchaser's exclusive remedies against Seller for Seller's default, either:
  (a) terminate this Agreement by delivery of written notice to Seller, in which event Purchaser shall be entitled to the return of the Deposit and also to be reimbursed by Seller for the reasonable and documented out-of-pocket expenses incurred by Purchaser in connection with this transaction, not to exceed the sum of (i) Sixty Thousand and No/100 Dollars (\$60,000.00), which shall be construed as full liquidated damages, and neither party shall have any further rights or obligations regarding this Agreement other than any obligations that expressly survive the termination of this Agreement; or (b) seek to obtain specific performance of the obligations of Seller under this Agreement (and if Purchaser is successful in obtaining such specific performance, Seller agrees to indemnify Purchaser for all Purchaser's costs and expenses, including without limitation reasonable attorneys' fees and court costs, incurred in such action) but if Purchaser is not successful in obtaining specific performance, then Purchaser may still elect to proceed under sub-part (a) above.
- (c) A "default" by either party under this <u>Section 25</u> shall constitute a default in any material obligation of a party under this Agreement for any reason except for default by the counterparty, and the defaulting party fails to cure such default within five (5) Business Days after written notice thereof; provided, that no notice and cure opportunity shall be provided in connection with either: (a) Purchaser's breach of its obligations under <u>Sections 9(b)</u> and or <u>11</u> above; or (b) Seller's breach of its obligations under <u>Section 10</u> above.
- (d) The foregoing limitations of remedies and liquidated damages provisions shall not apply to the indemnity obligations of Purchaser and Seller expressly set forth in this Agreement, or the right of either party to collect attorneys' fees in connection with enforcement of this Agreement as provided in Section 26 below.
- 26. <u>Attorneys' Fees</u>. Any party to this Agreement who is the prevailing party in any legal proceeding against any other party brought in connection with this Agreement or transaction shall be additionally entitled to recover court costs and reasonable attorney fees, and all other litigation expenses, including deposition costs, travel and expert witness fees, from the non-prevailing party.
- 27. <u>Time of the Essence</u>. The parties agree that time shall be of the essence in the performance of all of the terms and conditions of this Agreement. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act must be performed, or by which Closing must be held, expires on a Saturday, Sunday or a holiday, then such time period shall be automatically extended to and through the next day which is not a Saturday, Sunday or a holiday.
- 28. <u>Captions</u>. Section headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.
- 29. **Entire Agreement**. The parties acknowledge that this Agreement contains the entire agreement between the parties with respect to the Property and supersedes any prior oral or written understandings. No modification of this Agreement and no waiver of any of its terms or conditions shall be effective unless made in writing and duly executed by both parties.
- 30. <u>Successors and Assigns</u>. This Agreement shall be binding on the parties and their respective successors and permitted assigns.

31. Notices. Any notice, consent or other communication permitted or required by this Agreement shall be in writing, and shall be given to each party, at the address set forth below, in the following manner: (a) personal delivery; (b) reputable overnight delivery service with proof of delivery; (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested; (d) legible facsimile transmission (provided, that documentation of completed transmission is retained); or (e) by PDF attachment to e-mail. Such notice shall be deemed to have been given or delivered upon the date of actual receipt or delivery (or refusal to accept delivery), as evidenced by the notifying party's receipt of written or electronic confirmation of such delivery, refusal, or delivery failure despite use of the correct email notice address, if received by the party to be notified between the hours of 8 a.m. and 5 p.m. Pacific time on any business day, with delivery made after such hours to be deemed received on the following business day. Unless and until changed as provided below, the addresses for notices given pursuant to this Agreement shall be as follows:

To Seller: City of St. Helens

Attention: John Walsh, City Administrator

265 Strand St.

St. Helens, Oregon 97051

Tel: 503.366.8211

Email: jwalsh@sthelensoregon.gov

with a copy to:

Jordan Ramis PC

Attention: David Rabbino 1211 SW 5<sup>th</sup> Avenue, Suite 2700

Portland, OR 97204 Tel: 503.598.7070

Email: david.rabbino@jordanramis.com

To Purchaser: Arcadia Paper Mills, LLC.

\_

Attention: John F. Pierce Email: jfpierce@ktslaw.com

with a copy to:

John F. Pierce

Kilpatrick Townsend & Stockton

1420 5<sup>th</sup> Avenue Suite 3700

Seattle, WA 98104

Email: jfpierce@ktslaw.com

22. Controlling Law; Dispute Resolution. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Oregon, and exclusive venue shall lie with the state and federal courts located in the State of Oregon. IN ANY LAWSUIT OR OTHER PROCEEDING INITIATED BY A PARTY HERETO UNDER OR WITH RESPECT TO THIS AGREEMENT, SELLER AND PURCHASER EACH WAIVE ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY. However, notwithstanding the foregoing language, the Parties agree that any and all disputes, claims or controversies or claim arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate arising out of or relating to this Agreement shall be submitted to JAMS, or its successor, for arbitration

utilizing JAMS' expedited arbitral rules, for final and binding arbitration. The seat of the arbitration will be Portland, Oregon, and all JAMS arbitration procedures and processes shall be conducted in person in Portland, Oregon. The language to be used in the arbitral proceeding will be English. Judgment upon the award rendered by the Arbitrator(s) may be entered by any court having jurisdiction thereof.

33. <u>Like-Kind Exchange</u>. Purchaser has informed Seller that Purchaser may desire to have this transaction constitute a like-kind exchange of properties utilizing an IRC §1031 Tax Deferred Exchange pursuant to the Internal Revenue Code of 1986, as amended ("Exchange"). Each party agrees to cooperate with the other party in order to effectuate and facilitate such an Exchange; provided, that Seller: (a) does not incur any additional liability as a result of its cooperation; and (b) is not required to enter into any contract to purchase any other property, or take title to any property other than the Property. Seller hereby acknowledges that, notwithstanding anything to the contrary in this Agreement, Buyer's rights under this Agreement may be assigned to a designated Qualified Intermediary pursuant to IIRC §1031 RC for the purpose of completing such an Exchange. Seller agrees to cooperate with Buyer and its designated Qualified Intermediary in a manner necessary to complete the exchange.

#### 34. [Intentionally Omitted.]

#### 35. [Intentionally Omitted.]

- 36. <u>Limitation of Liability</u>. So long as such Seller and Purchaser (as applicable) comply with any statutory limitations on distributions or similar capitalization requirements applicable to such entity, no obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, the property of any of Purchaser's or Seller's limited partners, managers, members, trustees, officers, directors, employees, shareholders, representatives or agents (including, without limitation, Seller's property manager), regardless of whether such obligation or liability is in the nature of contract, tort or otherwise. All limitations of liability in this Agreement that are applicable to the Seller and Purchaser shall be applicable to the other parties identified in this <u>Section 36</u>.
- 37. <u>Legally Binding</u>. This Agreement is intended by the parties to be a legally binding on each of them. This Agreement constitutes the entire agreement between the parties, there being no oral contracts, representations, conditions, or warranties, express or implied, in addition to this Agreement.
- 38. <u>Waiver</u>. No waiver by Purchaser or Seller of a breach of any of the terms, covenants and conditions of this Agreement by the other party shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition herein contained. No waiver of any default by Purchaser or Seller hereunder shall be implied from any omission by the other party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect a default other than as specified in such waiver.
- 39. Confidentiality. Seller and Purchaser agree to keep the terms of this Agreement confidential and not make any public announcements or disclosures with respect to the subject matter hereof without the prior written consent of the other party; provided, however, that Seller and Purchaser may disclose the terms hereof to their respective Consultants. Prior to Closing, Purchaser will treat the information disclosed to it by Seller, or otherwise gained through Purchaser's access to the Property and Seller's books and records, as confidential, giving it a level of protection and care that is customary, and make no use of any such disclosed information not independently known to Purchaser except in connection with the transactions contemplated hereby; provided, however, that Purchaser may, without the consent of Seller, disclose such information:

  (a) to Purchaser's Consultants and its prospective and actual investors and lenders (the "Transaction Parties"), so long as any such Transaction Parties to whom disclosure is made shall also agree to keep all such information confidential in accordance with the terms hereof; and (b) if disclosure is required by law

or by regulatory or judicial process (including, without limitation, as required by any securities exchange on which Purchaser's or its affiliates' shares are listed), provided that in such event, Purchaser shall notify Seller of such required disclosure, shall exercise all commercially reasonable efforts to preserve the confidentiality of the confidential information, including, without limitation, reasonably cooperating with Seller (at Seller's sole expense) to obtain an appropriate order or other reliable assurance that confidential treatment will be accorded such confidential information and shall disclose only that portion of the confidential information which Purchaser is legally required to disclose. Notwithstanding the foregoing, the confidentiality provisions of this <u>Section 39</u> shall not apply to any information or document which: (i) is or becomes generally available to the public other than as a result of a disclosure in violation of this Agreement; (ii) subject to compliance with clause (b) in this Section 39 above, is required by law or court order to be disclosed, or (iii) is disclosed in connection with any litigation relating to this Agreement and/or this Agreement. Purchaser will bear the burden of proof with respect to any claims under this Section 39 regarding its handling of the information disclosed to it by Seller. Seller, Seller's Consultants, Purchaser, and Purchaser's Consultants shall each refrain from generating or participating in any publicity or press release regarding this transaction without the prior written consent of the other party, as applicable, which consent shall not be unreasonably withheld, conditioned or delayed; however, it shall be reasonable for a party to withhold its consent if the publicity or press release discloses either: (y) such party's identity; or (z) the Purchase Price. The provisions of this Section 39 shall survive the termination of this Agreement or Closing.

- 40. <u>Further Instruments</u>. Each party will, whenever and as often as it shall be requested so to do by the other, cause to be executed, acknowledged or delivered any and all such further customary instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Agreement.
- 41. <u>Counterparts</u>. This Agreement may be executed in any number of counterparts; provided, that each of the parties hereto executed at least one counterpart; each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. To facilitate execution of this Agreement, the parties may execute and exchange by DocuSign, Adobe, and/or emailed portable document format ("PDF") counterparts of the signature pages. The parties intend to be bound by the signatures transmitted by emailed PDF, are aware that the other party will rely on such signature, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the form of signature.
- 42. Oregon Statutory Notice. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

43. <u>Cautionary Notice About Liens</u>. UNDER CERTAIN CIRCUMSTANCES, A PERSON WHO PERFORMS CONSTRUCTION-RELATED ACTIVITIES MAY CLAIM A LIEN UPON REAL PROPERTY AFTER A SALE TO THE PURCHASER FOR A TRANSACTION OR ACTIVITY THAT OCCURRED BEFORE THE SALE. A VALID CLAIM MAY BE ASSERTED AGAINST THE PROPERTY THAT YOU ARE PURCHASING EVEN IF THE CIRCUMSTANCES THAT GIVE RISE TO THAT CLAIM HAPPENED BEFORE YOUR PURCHASE OF THE PROPERTY. THIS INCLUDES, BUT IS NOT LIMITED TO, CIRCUMSTANCES WHERE THE OWNER OF THE PROPERTY CONTRACTED WITH A PERSON OR BUSINESS TO PROVIDE LABOR, MATERIAL, EQUIPMENT OR SERVICES TO THE PROPERTY AND HAS NOT PAID THE PERSONS OR BUSINESS IN FULL.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, effective as of the Effective Date defined above.

SELLER:

PURCHASER

ARCADIA PAPER MILLS, LLC

a State of Oregon-limited liability company

CITY OF ST. HELENS, OREGON

an Oregon municipal corporation

By: Name:

Title:

Date Executed

By:

Name: Title:

Date Execu

**Outline of Sale Parcel** 

**Original Parcels Legal Description** 

## **Description of Personal Property**

[ATTACH VIDEO CD.]

**Description of Intangible Property** 

**Plans and Specifications** 

#### **EXHIBIT 4**

### **DUE DILIGENCE ITEMS**

Seller shall provide to Purchaser the following:

- 1. Pertaining to electrical service relating to the Real Property:
  - a. All information in Seller's possession regarding the Real Property's electrical service and bills for all accounts serviced by the relevant utility, PGE, for the period from January 1, 2018, to the present.
  - b. All information in Seller's possession regarding the Real Property's electrical substation current ownership and leases.
- 2. Pertaining to taxes and fees relating to the Real Property:
  - All records in Seller's possession regarding taxes and fees for services imposed on the previous company operating the paper mill for the period from January 1, 2018, to July 1, 2023.
  - b. All information in Seller's possession regarding any fines imposed by the state, county or city on the previous operators at the mill within the last ten (10) years of the date of this LOI.
- 3. Pertaining to effluent discharge of the Real Property:
  - a. All records in Seller's possession regarding sewer fees, usage charges, and rate structure imposed on the previous operator of the paper mill from January 1, 2018, to July 1, 2023.
  - b. All information in Seller's possession defining any current limitations for mill discharge to the city waste treatment including, but not limited to flow rate, BOD, COD, color, and suspended solids.
  - c. All information in Seller's possession regarding any future changes planned for wastewater discharge system or permits associated with the Real Property.
- 4. Pertaining to environmental indemnification and environmental issues related to the Real Property:
  - a. All information in Seller's possession regarding the fifty (50) year environmental indemnity provided to Seller by the previous owners of the Real Property (the "Environmental Indemnity").
  - b. All information in Seller's possession regarding any notice and response regarding the Environmental Indemnity since the indemnity's inception.
  - c. Any Environmental Indemnity related or documents provided to Seller by the previous operators of the Property prior to Seller.
  - d. All information in Seller's possession regarding Seller's Phase 1 environmental study or studies conducted at the Real Property.
  - e. described 2 environmental study or studies conducted at the Real Property.

- f. All records in Seller's possession regarding past and ongoing environmental monitoring at the Real Property.
- g. All information in Seller's possession regarding any environmental issues at the Real Property.
- 5. Pertaining to air emissions and discharge permits related to the Real Property:
  - a. All copies of and all information in Seller's possession of all permits for air emissions and discharge for both paper machines.
- 6. Pertaining to boiler operation permits related to the Real Property:
  - a. All copies of and information in Seller's possession regarding all necessary permits for the current boilers.
- 7. Pertaining to wastewater permits related to the Real Property:
  - a. All copies of and information in Seller's possession regarding all permits related to wastewater.
- 8. Pertaining to pressure vessel permits related to the Real Property:
  - a. All copies of and information in Seller's possession regarding all permits related to pressure vessels.
- 9. Pertaining to river water supply permits related to providing water the Real Property:
  - a. All copies of and information in Seller's possession regarding all permits related to the river water supply.
- 10. Pertaining to storm water permits related to the Real Property:
  - a. All copies of and information in Seller's possession regarding all permits related to the storm water.
- 11. Pertaining to occupancy permits related to any buildings and land described in **Exhibit A**:
  - a. All copies of and information in Seller's possession regarding all permits related to occupancy.
- 12. All information in Seller's possession regarding building plans for all buildings located upon the Land.
- 13. All information in Seller's possession regarding any action taken by Seller to require maintenance, repair or upgrade to any building or structure located on the Land during the ten (10) years prior to the date of this Agreement.
- 14. All records in Seller's possession revoking occupancy permit, threating revocation of occupancy permit and reinstatement of occupancy permit for any building subject to purchase pursuant to this Agreement.

- 15. All information in Seller's possession regarding building permits, permit applications, engineering provided for review, review comments on engineering, permits granted for either temporary repair or permanent repair regarding the number 3 paper machine building specifically, as well as any other building located at the Land during the ten (10) years prior to the date of this Agreement.
- 16. All information in Seller's possession regarding the Real Property's current flood maps for Milton Creek and the Land.
- 17. All information in Seller's possession regarding public complaints about the Real Property and previous operators during the ten (10) years prior to the date of this Agreement.
- 18. All information in Seller's possession regarding any lien on the Property.

# EXHIBIT 10(a)

### **FORM OF DEED**

AFTER RECORDING RETURN TO:
UNTIL A CHANGE IS REQUESTED SEND TAX STATEMENTS TO:
BARGAIN AND SALE DEED
Grantor, whose address is, bargains,
sells and conveys unto, Grantee, whose address is, that certain real property situated in Columbia County, Oregon,
the legal description of which is set forth on the attached <b>Exhibit A</b> , subject to those matters
set forth on <b>Exhibit B</b> attached hereto.
The true consideration for this conveyance is \$
BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON
TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS,
IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5
TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER
855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS
2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY
DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE
LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS
INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY
SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING
DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS
A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO
DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST
PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS
OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301
AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS

EXHIBIT 4 - DUE DILIGENCE ITEMS

2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Dated this 28 day of Aagust 2024.

### **Grantor**

City of St. Helens, Oregon an Oregon municipal corporation

By: Wick Scholl
Title: Mayor

Date Executed: 8 28 24

STATE OF OREGON ) ss County of )

On this <u>August 28</u>, 2024, before me personally appeared <u>Rick 5choll</u>, the <u>Mayor</u> of the City of St. Helens, Oregon, an Oregon municipal corporation, who being duly sworn, acknowledged before me that the instrument was signed on behalf of the said municipal corporation by due corporate authorization and acknowledged said instrument to be its voluntary act and deed.

OFFICIAL STAMP

KATHRYN JOY PAYNE

NOTARY PUBLIC - OREGON

COMMISSION NO. 1013758

MY COMMISSION EXPIRES JULY 05, 2025

Notary Public for Oregon

My commission expires: 7/5/25

### **EXHIBIT A TO DEED**

Legal Description

### **EXHIBIT B TO DEED**

## Exceptions

[At Closing, insert applicable exceptions from Schedule B of the Title Policy]

[Remainder of page intentionally blank]

# Exhibit 10(d)

# Special Warranty Bill of Sale

This Bill of Sale is entered into as of, 2024, by, a("Seller"), in favor of Arcadia Paper Mill, LLC ("Buyer"). This Bill of Sale is made pursuant to the Real Estate Purchase and Sale Agreement (the "Agreement") dated, 2024 by and between Seller and Buyer, to transfer the tangible "Personal Property," as that term is defined in the Agreement. Any capitalized term used but not defined in this Bill of Sale shall have the meaning set forth in the Agreement.
1. <u>Conveyance</u> . For good and valuable consideration, as contemplated and detailed in the Agreement, the receipt and adequacy of which Seller hereby acknowledges, Seller hereby irrevocably sells, assigns, transfers, conveys, grants, bargains, and delivers to Buyer, all of its right, title, and interest in and to tangible Personal Property described in the Agreement ("Tangible Personal Property"). Seller represents and warrants that Seller (i) is the owner of the Tangible Personal Property, (ii) is conveying title to all Tangible Personal Property free and clear of all encumbrances, debts, mortgages, attachments, pledges, charges, claims, and liens, and (iii) has the legal right to convey the Property.
2. <u>Disclaimer of Warranties</u> . EXCEPT FOR THE WARRANTIES SET FORTH HEREIN ABOVE, SELLER MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER WITH RESPECT TO THE TANGIBLE PERSONAL PROPERTY, INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (c) WARRANTY OF TITLE; OR (d) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE. BY ACCEPTING THIS BILL OF SALE, BUYER ACKNOWLEDGES THAT IT HAS NOT RELIED ON ANY REPRESENTATION OR WARRANTY MADE BY SELLER, OR ANY OTHER PERSON ON SELLER'S BEHALF, EXCEPT AS SPECIFICALLY PROVIDED IN THE AGREEMENT.
3. <u>Further Assurances</u> . Seller, for itself and its successors and assigns, hereby covenants and agrees that, at any time and from time to time on Buyer's written request, Seller will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney, and assurances as may be reasonably required by Buyer in order to assign, transfer, set over, convey, assure, and confirm unto and vest in Buyer and its successors and assigns title to the assets sold, conveyed, and transferred by this Bill of Sale.
SELLER:
By: Name: Title:

#### EXHIBIT 10(e)

### ASSIGNMENT OF LEASES AND CONTRACTS AND BILL OF SALE

This instrument is executed and delivered as of the day of	, 2024 pursuant to that
certain Purchase and Sale Agreement ("Agreement") dated	, 2024, by and between
	] ("Seller"), and
], ARCADIA PAPER MILLS, LLC	[2] ("Buyer"), covering the real
property described in <b>Exhibit A</b> attached hereto (" <b>Real Property</b> "). This A	Agreement is made pursuant to
the Real Estate Purchase and Sale Agreement (the "PSA") dated	, 2023 by and between
Seller and Buyer. Any capitalized term used but not defined in this Agreem	ent shall have the meaning set
forth in the PSA.	

- 1. <u>Sale of Personalty</u>. For good and valuable consideration, Seller hereby sells, transfers, sets over and conveys to Buyer the Intangible Personal Property (as defined in the PSA).
- 2. <u>Assignment of Leases and Contracts</u>. For good and valuable consideration, Seller hereby assigns, transfers, sets over and conveys to Buyer, and Buyer hereby accepts the following from and after the date hereof:
- (a) <u>Leases</u>. All of the landlord's right, title and interest in and to the tenant leases and deposits listed in <u>Exhibit B</u> attached hereto (collectively, the "<u>Leases</u>");
- (b) <u>Service Contracts</u>. Seller's right, title, and interest in and to the service contracts described in <u>Exhibit C</u> attached hereto (collectively, the "<u>Service Contracts</u>").
- 3. Agreement Applies. The covenants, agreements, disclaimers, representations, warranties, indemnities and limitations provided in the Agreement with respect to the Property (including, without limitation, the limitations of liability provided in the Agreement), are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Buyer and Seller and their respective successors and assigns.
- 4. <u>Indemnities and Assumption</u>. Buyer, as of the date hereof, hereby accepts the foregoing assignment and assumes all of Seller's obligations under the Leases to the extent first arising and accruing on and after the date hereof. Buyer hereby agrees to indemnify, defend and hold harmless Seller from and against any and all costs, liabilities, losses, damages and expenses, including, without limitation, reasonable attorneys' fees and expenses (collectively, "**Losses**") first arising out of or related to a breach of the landlord's obligations under any of the Leases by Buyer first occurring on or after the date hereof. Seller hereby agrees to indemnify, defend and hold harmless Buyer from and against any and all Losses arising out of or related to a breach of the landlord's obligations under any of the Leases prior to the date hereof.
- 5. <u>Counterparts.</u> This Agreement may be executed in counterparts, each of which shall be an original and all of which taken together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed as of the date written above.

	SELLER:
	[], a
Date:, 2024	By:  Name: [
	BUYER:
	ARCADIA PAPER MILLS, LLC, a []
Date:, 2024	By:  Name: [

# EXHIBIT A to Assignment Agreement

## **LEGAL DESCRIPTION**

[To Be Attached.]

KILPATRICK TOWNSEND 78599663 14

# **Police Sergeant**

**DEPARTMENT: Police DIVISION:** N/A

**SUPERVISOR:** Police Lieutenant

**CLASSIFICATION:** Non-Exempt (overtime eligible)

**UNION:** No **CONFIDENTIAL:** Yes



### **POSITION SUMMARY**

Performs a variety of routine and complex public safety work in the performance and administration of police patrol, investigation, traffic regulation, and related law enforcement activities. Functions as a Shift Commander, supervisor of specialty team or detail (i.e., CENT or detectives), supervises personnel of lesser rank and a member of the management team responsible for the administration of the Police Department.

### **SUPERVISION RECEIVED**

Works under the general supervision of a Police Lieutenant or during the absence of the Lieutenant, the Police Chief.

### SUPERVISION EXERCISED

Exercises general supervision over police officers and other staff.

### **ESSENTIAL DUTIES AND RESPONSIBILITIES** include the following, but are not limited to:

- Plans, organizes, assigns, supervises, and reviews the work of sworn staff on an assigned shift; conducts shift briefings; trains staff in work procedures; evaluates employee performance, counsels employees, and effectively recommends initial disciplinary action; assists in selection and promotion.
- Responsible to ensure the safety of the public and police personnel.
- Monitors activities of assigned shift; identifies opportunities for improving service delivery and procedures; provides recommendations concerning process changes; reviews with appropriate management staff; implements improvements.
- Answers questions and provides information to the public; investigates and responds to complaints and inquiries from citizens, other departments, and agencies; recommends corrective actions to resolve issues.
- Identifies procurement needs; prepares detailed cost estimates with appropriate justifications; monitors expenditures.
- Participates and coordinates cooperative working relationships and mutual aid agreements with representatives of other local public safety agencies.
- Conducts or participates in the hiring process, as needed, including oversight of oral board interviews, both for new hires and for promotional interviews.

City of St. Helens Page 1 of Police Sergeant

- Coordinates and leads daily shift briefings to discuss crime trends, local crime hot spots and public safety issues that impact our community. Develops daily proactive policing plans to combat crime in our community and deploys resources in accordance with the plans.
- Assists with development of individual training plans and makes recommendations for training; ensures staff complies with DPSST mandated training requirements.
- Reviews police related reports prepared by subordinate officers or others and ensure completion and quality of subordinate's work.
- Monitors overtime expenditures and proper staffing levels to ensure fiscal responsibility and compliance with mandated staffing levels.
- Makes appropriate notifications, as needed, during critical or high-profile events.
- Responds to incidents, crime scenes, accidents, or emergencies and serves as Incident Commander of police activities, including supervising and participating in any or all crime scene processes, diffusing situations, enforcing laws, codes, and ordinances, providing technical advice and direction, and requesting additional resources as necessary.
- Conducts periodic performance evaluation and planning sessions for assigned personnel, including identifying employee strengths and weaknesses and making plans with the employee to maximize capabilities and to deal with performance issues, either positive or negative. Includes creating and maintaining appropriate records.
- Coordinates and supervises the training, assignment, development of subordinate police officers, to include documenting periodic performance evaluation for assigned personnel. Coaches, mentors, and develops employees to maximize performance and encourage development. Includes creating and maintaining performance plans to ensure proper development and succession.
- Participates in special assignments, as assigned.
- Supervises the preparation and dissemination a variety of police records and reports prepared by subordinate officers; supervises preparation of court cases; testifies in court as needed.
- Maintains availability by radio or telephone for consultation on major emergencies or precedent.
- Maintains files, databases, and records related to daily activities and operations.
- Carries out duties in conformance with Federal, State, County, and City laws/ordinances, and Department policies.
- Patrols the city to secure life and property, observes situations, reports suspicious behavior, criminal activity, or hazardous conditions, and deters crime by providing high visibility. Responds to emergency radio calls as needed and takes appropriate law enforcement and supervisory action.
- Responds to emergency radio calls and investigates accidents, robberies, civil disturbances, domestic disputes, fights, drunkenness, missing children, prowlers, abuse of drugs, etc. Takes appropriate law enforcement action.
- Prepares a variety of written reports, memoranda, and correspondence, and prepares semiannual evaluations of members of the department under his/her supervision.

City of St. Helens Page 2 of Police Sergeant

Page 145

- Attends and participates in professional group meetings; stays abreast of new trends and innovations in law enforcement; monitors changes in regulations and technology that may affect operations; implements policy and procedural changes after approval.
- Coordinates assigned services and operations with those of other departments and outside agencies.
- Participate in grievances, grievance arbitrations, or other management/labor activities as a representative of management.
- Supervises Criminal Detective(s) and participates in criminal investigations, as needed.
- Performs other duties as assigned.

#### **PERIPHERAL DUTIES**

- Analyzes and recommends improvements to equipment and facilities, as needed.
- Reviews, evaluates, and develops programs, policies, and procedures for various departmental operations.
- Schedules and conducts meetings.
- Maintains departmental equipment, supplies and facilities.
- Maintains liaison with community groups.

#### MINIMUM QUALIFICATIONS

#### **EDUCATION AND EXPERIENCE**

- a. High school diploma or equivalent; and
- b. Completion of the State Basic Training Academy; and
- b. Must possess a Basic Police Officer Certificate from DPSST; and
- c. Minimum of fiveeight years' work experience as a fully commissioned police officer; and
- d. At the time of appointment posses an Advance Certification issued by the Oregon Board on Police Standards and Training.
- d. Preferred to hold the rank of Corporal.
- e. Advanced Certification from DPSST is preferred.

#### **KNOWLEDGE, SKILLS, AND ABILITIES**

- a. Principles and practices of employee supervision, including work planning, assignment, review and evaluation, discipline, and the training of staff in work procedures.
- b. Principles and techniques for working with groups and fostering effective team interaction to ensure teamwork is conducted smoothly.
- c. Basic principles and practices of budget administration and monitoring.
- d. Applicable federal, state, and local laws, rules, regulations, ordinances, and organizational policies and procedures relevant to assigned area of responsibility.
- e. Functions and services of a full-service municipal police department.
- f. Law enforcement principles, practices, and techniques related to patrol, traffic enforcement, crime scene control and investigation, protection of life and property, and pursuit, apprehension, and transport of suspects.
- g. Rules of evidence regarding search and seizure and the preservation of evidence.

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- h. Investigation and identification techniques and equipment.
- i. Recent and on-going developments, current literature, and sources of information related to the operations of the assigned programs.
- j. Safety practices and equipment related to the work, including the safe use and proper care of firearms.
- k. Principles and procedures of record keeping.
- Techniques for effectively representing the city in contacts with governmental agencies, community groups, and various business, professional, educational, regulatory, and legislative organizations.
- m. Methods and techniques of preparing reports and general business correspondence.
- n. Techniques for providing a high level of customer service by effectively dealing with the public, vendors, contractors, and city staff.
- o. The structure and content of the English language, including the meaning and spelling of words, rules of composition, and grammar.
- p. Modern equipment and communication tools used for business functions and program, project, and task coordination, including computers and software programs relevant to work performed.
- q. Select and supervise staff, provide training and development opportunities, ensure work is performed effectively, and evaluate performance in an objective and positive manner.
- r. Supervise law enforcement programs and activities on assigned shift.
- s. Perform the full scope of police officer duties.
- t. Understand, interpret, and apply all pertinent laws, codes, regulations, policies and procedures, and standards relevant to work performed.
- u. Identify problems, research, and analyze relevant information, and develop and present recommendations and justification for solution.
- v. Prepare clear and concise reports, correspondence, procedures, and other written materials.
- w. Maintain accurate records and files of work performed.
- x. Effectively represent the department and the city in meetings with governmental agencies, community groups, various business, professional, and regulatory organizations, and in meetings with individuals.
- y. Organize and prioritize a variety of projects and multiple tasks in an effective and timely manner; organize own work, set priorities, and meet critical time deadlines.
- z. Use tact, initiative, prudence, and independent judgment within general policy and procedural and legal guidelines.
- aa. Effectively use computer systems, software applications relevant to work performed, and modern business equipment to perform a variety of work tasks.
- bb. Communicate clearly and concisely, both orally and in writing, using appropriate English grammar and syntax.
- cc. Establish, maintain, and foster positive and effective working relationships with those contacted in the course of work.

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#### **SPECIAL REQUIREMENTS**

- a. Must possess, or be able to obtain by time of hire, a valid State Driver's License without record of suspension or revocation in any state.
- b. Ability to meet Department's physical standards.

#### **TOOLS AND EQUIPMENT USED**

Police issued weapons and equipment as required.

#### **PHYSICAL DEMANDS**

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is frequently required to sit and talk or hear. The employee is occasionally required to stand; walk; smell/taste; use hands to finger, handle, or operate objects, controls, or tools listed above; reach with hands and arms; climb or balance; run, stoop, kneel, crouch, or crawl; on occasion may be required to become involved in physical altercations to take, and or maintain control of suspects, or prisoners. The employee will be required to wear a duty belt weighing in excess of twenty pounds for extended periods of time.

The employee must occasionally lift and/or move items or persons weighing in excess of 150 pounds.

Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

#### **WORK ENVIRONMENT**

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee frequently works in outside weather conditions. The employee occasionally works near moving mechanical parts; in high, precarious places; and with explosives and is occasionally exposed to wet and/or humid conditions, fumes or airborne particles, toxic or caustic chemicals, extreme cold, extreme heat, and vibration.

The noise level in the work environment is usually moderate.

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#### EMPLOYEE ACKNOWLEDGMENT

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related, or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

I acknowledge that I have received a copy of the **Police Sergeant** job description. I understand that it is my responsibility to adhere to the Essential Duties and Responsibilities as outlined within this job description.

My signature below is evidence that I have reviewed and concurred that the above detailed job description appropriately describes the work of the position, including essential job functions, the minimum education and experience required of the position, and the physical demands of the position.

Signatures:		
Police Sergeant	Date	
Print Name:		
Police Lieutenant	Date	

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### A RESOLUTION ESTABLISHING AN OFFICIAL COMPENSATION PACKAGE FOR THE MAYOR FOR FOOD, BEVERAGES AND OTHER CITY-RELATED ITEMS

WHEREAS, this policy is to address any Oregon Government Ethics (ORS 244) issues that might arise from the City of St. Helens providing meals, food, beverages, or other compensation to members of the City Council as a result of performing their official duties for the City of St. Helens (City); and

**WHEREAS,** the Council will vote on this policy in four separate resolutions to avoid any conflicts of interest; and

WHEREAS, this Resolution will apply to the elected officials in the office of mayor; and

**WHEREAS,** the office of the mayor is currently held by Mayor Jennifer Massey.

NOW THEREFORE, THE CITY OF ST. HELENS RESOLVES AS FOLLOWS:

**Section 1.** The City will adopt the policy established in Exhibit A, attached to this resolution, for the elected office of the mayor.

**Section 2.** This resolution is effective immediately upon adoption.

**PASSED AND ADOPTED** by the City Council on this 3<sup>rd</sup> day of September 2025 by the following vote:

Ayes:	
Nays: Abstains:	
	Jennifer Massey, Mayor
ATTEST:	
Kathy Payne, City Recorder	_

Resolution No. 2054

Policy establishing an official compensation package for elected officials regarding food, beverages, and other city related items provided to officials while performing official duties.

Application: This policy applies to elected officials for the City of St. Helens.

Policy: As part of their official compensation package as that term is used under ORS 244.040(2)(a), elected officials may receive the following from the City:

- (1) Food, beverage, and other related items provided by the City to covered officials including any of their relatives or household members who are accompanying them during a St. Helens-related event such as, but not limited to meetings, team building activities, potlucks, volunteer appreciation lunches, retirement parties, retreats, and conferences.
- (2) Items with the City's logo provided to them in their role as a covered official such as clothing, water bottles, pens, paper, etc.
- (3) This policy does not apply to:
  - (a) Food, lodging, transportation, and other related costs reimbursed by the City and covered under existing City reimbursement policies.
  - (b) Food, beverages, and other related items provided by the City to covered officials that are also available to the public at large.
  - (c) Items that are considered "gifts" under ORS 244.020(7).
- (4) Compensation provided as part of an official compensation package may be subject to income tax per the IRS rules on taxable fringe benefits. Provided food and beverages are not intended to be taxable fringe benefits.

Examples: To follow are examples of when this policy would apply:

(1) At its regular meetings, the City provides food and beverages for the city council. That food and beverage would be considered part of the official compensation package.

Elected official provided with a meal by an outside third party is not considered part of the official compensation package and must be analyzed under ORS 244.

Resolution No. 2054 Page 151

A RESOLUTION ESTABLISHING AN OFFICIAL COMPENSATION PACKAGE FOR THE CITY COUNCILOR POSITION CURRENTLY HELD BY MARK GUNDERSEN, THE CITY COUNCILOR POSITION CURRENTLY HELD BY BRANDON SUNDEEN, AND APPLYING TO ANY CITY COUNCILORS SUBSEQUENTLY HOLDING THOSE POSITIONS, FOR FOOD, BEVERAGES AND OTHER CITY-RELATED ITEMS

WHEREAS, this policy is to address any Oregon Government Ethics (ORS 244) issues that might arise from the City of St. Helens providing meals, food, beverages, or other compensation to City Councilors as a result of performing their official duties for the City of St. Helens (City); and

**WHEREAS,** the Council will vote on this policy in four separate resolutions to avoid any conflicts of interest; and

WHEREAS, this Resolution will apply to the city councilor positions with terms expiring in 2026, currently held by Mark Gundersen and Brandon Sundeen, and applying to any city councilors subsequently holding those positions.

#### NOW THEREFORE, THE CITY OF ST. HELENS RESOLVES AS FOLLOWS:

**Section 1.** The City will adopt the policy established in Exhibit A, attached to this resolution, for the city councilor positions with terms expiring in 2026, currently held by Mark Gundersen and Brandon Sundeen, and applying to any city councilors subsequently holding those positions.

**Section 2.** This resolution is effective immediately upon adoption.

**PASSED AND ADOPTED** by the City Council on this  $3^{rd}$  day of September 2025 by the following vote:

Ayes:		
Nays:		
Abstains:		
	Jennifer Massey, Mayor	
ATTEST:		
	_	
Kathy Payne, City Recorder		

Resolution No. 2055

Policy establishing an official compensation package for elected officials regarding food, beverages, and other city related items provided to officials while performing official duties.

Application: This policy applies to elected officials for the City of St. Helens.

Policy: As part of their official compensation package as that term is used under ORS 244.040(2)(a), elected officials may receive the following from the City:

- (1) Food, beverage, and other related items provided by the City to covered officials including any of their relatives or household members who are accompanying them during a St. Helens-related event such as, but not limited to meetings, team building activities, potlucks, volunteer appreciation lunches, retirement parties, retreats, and conferences.
- (2) Items with the City's logo provided to them in their role as a covered official such as clothing, water bottles, pens, paper, etc.
- (3) This policy does not apply to:
  - (a) Food, lodging, transportation, and other related costs reimbursed by the City and covered under existing City reimbursement policies.
  - (b) Food, beverages, and other related items provided by the City to covered officials that are also available to the public at large.
  - (c) Items that are considered "gifts" under ORS 244.020(7).
- (4) Compensation provided as part of an official compensation package may be subject to income tax per the IRS rules on taxable fringe benefits. Provided food and beverages are not intended to be taxable fringe benefits.

Examples: To follow are examples of when this policy would apply:

(1) At its regular meetings, the City provides food and beverages for the city council. That food and beverage would be considered part of the official compensation package.

Elected official provided with a meal by an outside third party is not considered part of the official compensation package and must be analyzed under ORS 244.

A RESOLUTION ESTABLISHING AN OFFICIAL COMPENSATION PACKAGE FOR THE CITY COUNCILOR POSITION CURRENTLY HELD BY JESSICA CHILTON, THE CITY COUNCILOR POSITION CURRENTLY HELD BY RUSSELL HUBBARD, AND APPLYING TO ANY CITY COUNCILORS SUBSEQUENTLY HOLDING THOSE POSITIONS, FOR FOOD, BEVERAGES, AND OTHER CITY-RELATED ITEMS

WHEREAS, this policy is to address any Oregon Government Ethics (ORS 244) issues that might arise from the City of St. Helens providing meals, food, beverages, or other compensation to City Councilors as a result of performing their official duties for the City of St. Helens (City); and

**WHEREAS,** the Council will vote on this policy in four separate resolutions to avoid any conflicts of interest; and

**WHEREAS**, this Resolution will apply to the city councilor positions with terms expiring in 2028, currently held by Jessica Chilton and Russell Hubbard, and applying to any city councilors subsequently holding those positions.

#### NOW THEREFORE, THE CITY OF ST. HELENS RESOLVES AS FOLLOWS:

**Section 1.** The City will adopt the policy established in Exhibit A, attached to this resolution, for the city councilor positions with terms expiring in 2028, currently held by Jessica Chilton and Russell Hubbard, and applying to any city councilors subsequently holding those positions.

**Section 2.** This resolution is effective immediately upon adoption.

**PASSED AND ADOPTED** by the City Council on this  $3^{rd}$  day of September 2025 by the following vote:

Ayes:		
Nays:		
Abstains:		
	Jennifer Massey, Mayor	
ATTEST:		
Kathy Payne, City Recorder		

Resolution No. 2056

Policy establishing an official compensation package for elected officials regarding food, beverages, and other city related items provided to officials while performing official duties.

Application: This policy applies to elected officials for the City of St. Helens.

Policy: As part of their official compensation package as that term is used under ORS 244.040(2)(a), elected officials may receive the following from the City:

- (1) Food, beverage, and other related items provided by the City to covered officials including any of their relatives or household members who are accompanying them during a St. Helens-related event such as, but not limited to meetings, team building activities, potlucks, volunteer appreciation lunches, retirement parties, retreats, and conferences.
- (2) Items with the City's logo provided to them in their role as a covered official such as clothing, water bottles, pens, paper, etc.
- (3) This policy does not apply to:
  - (a) Food, lodging, transportation, and other related costs reimbursed by the City and covered under existing City reimbursement policies.
  - (b) Food, beverages, and other related items provided by the City to covered officials that are also available to the public at large.
  - (c) Items that are considered "gifts" under ORS 244.020(7).
- (4) Compensation provided as part of an official compensation package may be subject to income tax per the IRS rules on taxable fringe benefits. Provided food and beverages are not intended to be taxable fringe benefits.

Examples: To follow are examples of when this policy would apply:

(1) At its regular meetings, the City provides food and beverages for the city council. That food and beverage would be considered part of the official compensation package.

Elected official provided with a meal by an outside third party is not considered part of the official compensation package and must be analyzed under ORS 244.

# A RESOLUTION ESTABLISHING AN OFFICIAL COMPENSATION PACKAGE FOR CITY OF ST. HELENS EMPLOYEES, FOR FOOD, BEVERAGES, AND OTHER CITY-RELATED ITEMS

WHEREAS, this policy is to address any Oregon Government Ethics (ORS 244) issues that might arise from the City of St. Helens providing meals, food, beverages, or other compensation to City employees as a result of performing their official duties for the City of St. Helens (City).

#### NOW THEREFORE, THE CITY OF ST. HELENS RESOLVES AS FOLLOWS:

**Section 1.** The City will adopt the policy established in Exhibit A, attached to this resolution, for all city employees.

**Section 2.** This resolution is effective immediately upon adoption.

**PASSED AND ADOPTED** by the City Council on this 3<sup>rd</sup> day of September 2025 by the following vote:

Ayes: Nays: Abstains:		
ATTEST:	Jennifer Massey, Mayor	_
Cathy Payne City Recorder	_	

#### Official Compensation Package for Employees

Purpose: This policy is to address any Oregon Government Ethics (ORS 244) issues that might arise from providing meals, food, beverages, or other compensation to employees as a result of performing their official duties for the City of St. Helens (City).

Covered Individuals: This policy applies for all employees serving the City.

Policy: As part of their official compensation package as that term is used under ORS 244.040(2)(a), employees may receive the following from the City:

- (1) Food, beverages, and other related items provided by the City including any of their relatives or household members who are accompanying them during a St. Helens-related event such as, but not limited to meetings, team building activities, potlucks, volunteer appreciation lunches, retirement parties, retreats, and conferences.
- (2) Items with the City's logo provided to them in their role as an employee such as clothing, water bottles, pens, paper, etc.
- (3) This policy does not apply to:
  - (a) Food, lodging, transportation, and other related costs reimbursed by the City and covered under existing City reimbursement policies.
  - (b) Food, beverages, and other related items provided by the City to the employee that are also available to the public at large.
  - (c) Items that are considered "gifts" under ORS 244.020(7).
- (4) Compensation provided as part of an official compensation package may be subject to income tax per the IRS rules on taxable fringe benefits. Provided food and beverages are not intended to be taxable fringe benefits.

Examples: To follow are examples of when this policy would apply:

- (1) At its regular meetings, the City provides food and beverages for employees staffing a City Council meeting. Those meals would be considered part of the official compensation package.
- (2) After being hired, all St. Helens employees receive a City-logo glass or mug. This glass or mug would be considered part of the official compensation package.
- (3) Members of all appointed boards for the City are provided dinner at a volunteer appreciation dinner which supporting employees are invited to attend as well. Dinner would be considered part of the official compensation package.

Employee, while performing the City's related business, is provided with a meal by an outside third party. This is not considered part of the official compensation package and must be analyzed under ORS 244.

#### OREGON ASSOCIATION CHIEFS of POLICE

#### Agency Review Program

(ARP)

#### INTRODUCTION:

The purpose of the Oregon Association Chiefs of Police (OACP) Agency Review Program (ARP) is to provide management consulting and technical assistance to member chiefs of police and to departments whose Chief is a member of OACP. ARP provides a service for departments, in coordination with their Police Chief, to receive a professional review of police operations and management systems, utilizing recognized law enforcement best practices standards.

The goal of the ARP review is to provide the Chief with an additional management and leadership tool: a critical look at the organization through the eyes of peer professionals. The report should serve as a guide to identify areas that need strengthening and highlight positive and innovative programs and practices. Ideally, the information provided will motivate the organization, as a whole to improve internal and external services and facilitate additional community support.

ARP consultation and technical assistance is intended to provide a tool a Police Chief can use to improve the department, create new energy and provide better and/or broader services to the community.

The department review may be completed of the entire organization, or of a specific function, unit or process of the police department. The specific area and/or focus of the review is in each case determined by the requesting chief of police.

The Agency Review Program is available to all Oregon law enforcement chief executives. Law enforcement executives are encouraged to utilize the Agency Review Program upon appointment as Chief in order to gain insight and identify priorities and opportunities.

#### ARP ADVISORY SUBCOMMITTEE:

The Advisory Subcommittee shall be comprised of the Chair of the OACP Executive Resources Committee and 2 command level executives who are current members of the OACP Executive Resources Committee. The purpose of

the subcommittee is to review applications of potential evaluators, all requests for an ARP Review and to identify the most suitable, available team members to complete the review.

#### **AGENCY REVIEW TEAM MEMBERS:**

To ensure that ARP provides a quality service to those agencies requesting assistance, a list of managers and administrators who have expressed an interest in serving as potential reviewers is maintained. Those interested in the program are invited to submit their resume together with detailed information on their experiences, background and any particular areas of interest and expertise. Applications shall be reviewed by the Executive Resources Committee.

Agency Review teams shall consist of two or three members, one of whom shall be designated as the *Team Leader* by the ARP Advisory Subcommittee.

The team leader is responsible for the initial communication with the client agency, to gather background information, to establish a team work schedule, to assign the workload among team members, to plan the exit interview, and to submit the final report to the ARP Advisory Subcommittee for final review and approval prior to transmittal to the requesting Chief of Police or appropriate city representative in the absence of a chief.

Every effort will be made by the ARP Advisory Subcommittee to designate teams that are best suited to conduct a particular agency review. At least two team members generally will be from departments that are of similar size and structure as the requesting department. An attempt may be made, depending on the circumstances, to assign at least one team member from (or with prior experience in) the same geographic area as the requesting agency.

The following qualifications are required for any person participating in the ARP as a reviewer:

- Shall be a current Oregon Police Chief, Police Executive or retired Oregon Police Chief, or a Civilian Executive of similar rank in an Oregon law enforcement agency
- Shall possess at least 5 years of command level experience
- Shall be a member in good standing in OACP
- Shall have good writing skills and be able to clearly articulate their review of the agency
- Shall have a strong working knowledge of the policies, procedures, laws and case law related to Oregon law enforcement agencies
- Shall agree to participate and finalize the ARP review in a designated timeframe

- Shall possess good analytical skills
- Shall have permission of their city to participate in an agency review

#### **HOW TO REQUEST AN AGENCY REVIEW:**

- A request for a department and/or program review must come from the current chief law enforcement executive, i.e., Chief of Police, Interim Chief of Police, or Acting Chief of Police. If a current vacancy exists in the office of the Chief of Police, the City Manager or other similarly designated official may submit a request for an agency review.
- A written request must be made to the OACP Executive Director who will
  forward the request to the Executive Resources Committee Chair. The
  committee chair will then convene a meeting of or consult appropriately
  with the ARP Advisory Subcommittee.
- The ARP Advisory Subcommittee will review the request and, if approved, will designate a Review Team Leader and an appropriately sized team, depending on the nature of the request.
- 4. The Review Team Leader will contact the requesting Chief or appropriate City representative and coordinate logistics for the on-site review.

#### AGREEMENT WITH REQUESTING CITY/AGENCY:

- 1. Must agree to the financial terms determined for the review
- 2. Must agree to hold harmless the OACP, Review Team members and lending agencies, and sign appropriate waivers
- 3. Must agree to fully cooperate with the review
- 4. Must provide adequate information for reviewers to complete the review
- 5. Must provide appropriate on-site facilities and resources
- 6. Must agree on scope of work to be completed

#### **FEE SCHEDULE:**

Fees cover expenses and program costs to assure the program's ability to respond to requests and provide reviewers. The fee payable to OACP for agencies with 1-15 sworn officers shall be \$250.00. The fee payable to OACP for agencies with 16 or more sworn officers shall be \$500.00. This fee is in addition to expenses for Review Team members and/or their respective agencies. The OACP fee, or a portion thereof, may be waived if a hardship is deemed to exist.

#### LIST OF ITEMS REQUIRED FROM THE REQUESTING CITY/AGENCY:

The following items should be sent to the review team leader at least two weeks before arrival at the department, or as otherwise requested.. The team leader should follow this checklist and coordinate the delivery of the items from the agency;

- Written agreements, if applicable, with local police agencies
- Scope of authority of the officers
- Copy of the department policies and procedures
- Complete list of positions within the department, an organization chart and a list of personnel showing position titles and dates of hire
- Job descriptions for each classification of employee within the department
- Performance review procedures/forms
- Description of department and facilities including square feet, number of buildings, staff, and any unique situations
- Work schedule of staff (include overtime experienced for past 12 months)
- A copy of any union contract(s)
- Crime statistics for the past three years
- Address of the department's web site, if applicable
- Copy of the department's budget
- Copies of department reports such as annual reports, service calls, program activities, and other published program descriptive information available internally and externally
- Additional documents the assessment team may request due to the type of review they are asked to conduct

The above list may be modified depending upon the scope of the review and goals and objectives of a particular review and assessment.

#### **AGENCY REVIEW AND REPORT:**

On completion of the on-site review, the Team Leader will coordinate with team members to ensure that individual reports are submitted for inclusion in a final report. The Team Leader will assemble and complete the final review report. The report will be forwarded to the ARP Advisory Subcommittee for review. Following the review, the final report shall be submitted to the Chief of Police or, in the absence of a Chief of Police, to the official making the initial request for the review.

Item #13.

#### **AGENCY REVIEW PROGRAM**

### Waiver of Liability, Hold Harmless and Indemnity Agreement Oregon Association Chiefs of Police

Name & Title of Authorized Requestor	

The City of St. Helens (hereinafter referred to as "Participating City") hereby agrees to waive and discharge claims and demands of every nature and release from liability the Oregon Association Chiefs of Police, its officers, directors, employees, agents, insurers and all other representatives thereof (individually and collectively referred to as the "Released Group"), from any and all liability on account of, or in any way resulting from any and every injury, harm, loss and/or damage, even if caused indirectly and however remotely, by or resulting from the actions, inaction, errors, omissions, judgments, discretion and/or negligence of the Released Group (all aspects of all such harms hereinafter referred to as "Harms"), in any way connected to an Agency Review or Linebacker Program referral. The Participating City agrees to hold harmless, indemnify and defend the Released Group from any and all Harms in any way related to or attributed to the services and participation of The Released Group in connection with the Participating City in the AGENCY REVIEW PROGRAM of the Oregon Association Chiefs of Police.

I have read and agree on behalf of the Participating City to the terms of this **Waiver** of Liability, Hold Harmless and Indemnity Agreement, as evidenced by my signature below. I further warrant and affirm that I have authority to sign this Agreement on behalf of the Participating City and thereby bind the Participating City to the terms hereof.

Signature	Date
Title:	
Telephone:	
Email contact:	

#### OACP Agency Review Program Preliminary Questionnaire

Agency Name:
Official Making Request:
In order to assist the Executive Resources Committee in fulfilling your request, please answer the following questions.
Number of sworn officers (including the Chief of Police):
Does your agency provide 24/7 coverage 365 days per year?
Organizational Structure (indicate which positions are staffed in the agency and # of each)
Sergeants (supervisors)  Command level (Lt., Capt., etc)  Detective  SRO  Patrol  Reserves  Other sworn
Current budget
To whom do you report (City Manager/Administrator, Mayor, Other)
Population: Square Miles:
Insurance company for risk management insurance:
Do you have a dispatch center or is this function contracted?
If contracted, name of the agency providing service:
Records Management System Used:
Is your agency State-Accredited?
Telephone Number for Contact:
Department Mailing Address: