

AGENDA

REGULAR CITY COUNCIL MEETING

JUNE 26, 2023

5:30 p.m.

CITY HALL COUNCIL CHAMBER

313 COURT STREET

And

VIA ZOOM

<https://us06web.zoom.us/j/88147760127?pwd=bzF6UVBBS0EvaDIxTEVyRngrbExmQT09>

Meeting ID: 881 4776 0127

Passcode: 007612

1. CALL TO ORDER
2. ROLL CALL OF COUNCIL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. PRESENTATIONS/PROCLAMATIONS
 - A. Recognition The Dalles High School Girls Softball Team
 - B. Police Commendation; Promotion
6. AUDIENCE PARTICIPATION

During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Up to five minutes per person will be allowed. Citizens are encouraged to ask questions with the understanding that the City can either answer the question tonight or refer that question to the appropriate staff member who will get back to you within a reasonable amount of time. If a response by the City is requested, the speaker will be referred to the City Manager for further action. The issue may appear on a future meeting agenda for City Council consideration.

7. CITY MANAGER REPORT
8. CITY COUNCIL REPORTS
9. CONSENT AGENDA

CITY OF THE DALLES

"By working together, we will provide services that enhance the vitality of The Dalles."

Items of a routine and non-controversial nature are placed on the Consent Agenda to allow the City Council to spend its time and energy on the important items and issues. Any Councilor may request an item be "pulled" from the Consent Agenda and be considered separately. Items pulled from the Consent Agenda will be placed on the Agenda at the end of the "Action Items" section.

- A. Approval of the June 12, 2023 Regular City Council Meeting Minutes
- B. Approval of Resolution No. 23-019 Concurring with the Mayor's Appointments to the Beautification Committee
- C. Resolution No. 23-018 Assessing the Real Property Located at 2105 West 10th Street for the costs of Nuisance Abatement

10. ACTION ITEMS

- A. Watershed Land Purchase
- B. City Insurance Renewals

11. ADJOURNMENT

This meeting conducted VIA Zoom

Prepared by/
Izetta Grossman, CMC
City Clerk

CITY OF THE DALLES

"By working together, we will provide services that enhance the vitality of The Dalles."



AGENDA STAFF REPORT

AGENDA LOCATION: Item #9 A-C

MEETING DATE: June 26, 2023

TO: Honorable Mayor and City Council

FROM: Izetta Grossman, CMC, City Clerk

ISSUE: Approving items on the Consent Agenda and authorizing City staff to sign contract documents.

- A. **ITEM:** Approval of the June 12, 2023 Regular City Council meeting minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the June 12, 2023 Regular City Council meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the June 12, 2023 Regular City Council meeting minutes.

- B. **ITEM:** Approval of Resolution No. 23-019 Concurring with the Mayor's Appointments to the Beautification Committee

BUDGET IMPLICATIONS: None.

SYNOPSIS: The Mayor has met with the applicant and recommends appointment.

RECOMMENDATION: City Council concurs with the Mayor's appointment to the Beautification Committee; and approves Resolution No. 23-019.

- C. **ITEM:** Approval of Resolution No. 23-018 Assessing the Real Property Located at 2105 West 10th Street for the costs of Nuisance Abatement

BUDGET IMPLICATIONS: The reimbursement will be recorded in Misc. Revenues

SYNOPSIS: The process of notice for cleanup and abatement has been followed by the Codes Enforcement Officer. The City Clerk has sent out the Notice of Abatement Assessment with deadline for payment of June 2, 2023. Payment was not received.

RECOMMENDATION: Adopt Resolution No. 23-018 Assessing the Real Property Located at 2105 West 10th Street for the costs of Nuisance Abatement.

MINUTES

CITY COUNCIL MEETING
COUNCIL CHAMBER, CITY HALL
JUNE 12, 2023
5:30 p.m.

VIA ZOOM/ IN PERSON

PRESIDING: Council President Tim McGlothlin

COUNCIL PRESENT: Darcy Long, Tim McGlothlin, Rod Runyon, Scott Randall, Dan Richardson

COUNCIL ABSENT: Rod Runyon

STAFF PRESENT: City Manager Matthew Klebes, City Attorney Jonathan Kara, City Clerk Izetta Grossman, Public Works Director Dave Anderson, Police Chief Tom Worthy, Finance Director Angie Wilson, Community Development Director Joshua Chandler, Human Resources Director Daniel Hunter

CALL TO ORDER

The meeting was called to order by Council President McGlothlin at 5:30 p.m.

ROLL CALL OF COUNCIL

Roll Call was conducted by City Clerk Grossman. McGlothlin, Long, Randall, Richardson (via zoom) present. Councilor Runyon absent.

PLEDGE OF ALLEGIANCE

Council President McGlothlin asked Councilor Long to lead the Pledge of Allegiance.

Councilor Long invited the audience to join in the Pledge of Allegiance.

APPROVAL OF AGENDA

Long noted that Item #12 had been added to the agenda, Executive Session.

It was moved by Long and seconded by Randall to approve the agenda as amended. The motion carried 4 to 0; Long, Randall, Richardson, McGlothlin voting in favor; none opposed; Runyon absent.

AUDIENCE PARTICIPATION

Russ Brown said that crime was getting worse on the West side. He said fully staffing the police department was not enough. He said the city did NEED more officers.

City Manger Klebes said District Attorney Ellis was working on getting information on the results of arrests. Klebes said the software the District Attorney's office was using was difficult to get specific information.

Runyon arrived 5:37 p.m. via Zoom.

Luke Tanner asked Council to reconsider System Development Charges (SDC) on Accessory Dwelling Unit (ADU). He said the process was as if a brand new house was being developed.

Tanner said he had requested a reduction of the SDC's and talked with the Community Development Department. He said his request was denied. He said the ADU wouldn't increase any use of services, as he was building the ADU for his brother, who already lived at the address.

CITY MANAGER REPORT

City Manager Matthew Klebes reported:

- Kaitlyn Cook had been promoted to Senior Planner. He said she had been doing the work for the last few months and had done a good job.
- Cialita Keys hired as the Planning Tech.
- Matt Caldwell hired as Facilities Supervisor.
- He had authorized a Temporary Policy paying Reserve Officer for covering shifts as more Police Officers are being hired. He said he activated the first Reserve Officer today.

Klebes also said that during the League of Oregon Cities Training held on May 31st it noted City Council rules were due for a review.

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He asked for Council direction on how to proceed with the review. He said a committee could be formed, or staff could review and bring a red-lined version to Council for discussion and approval at a later date.

Runyon said he had served on the previous committee. He said he would like staff to review and red-line changes. It was the consensus of Council for staff to proceed with review and bring red-line back to Council.

CITY COUNCIL REPORTS

Councilor Long reported:

League of Oregon Cities training on Ethics and Public Meeting Law sponsored by Wasco County

League of Oregon Cities update

Community Outreach Team – Nate Stice, Regional Solutions attended

Councilor Randall reported:

Historic Landmarks Commission approved improvements to the building formally known as The Chronicle building

Councilor Runyon reported:

Out of the area during May for Ride for the Wall, advocating for Veterans issues

Councilor McGlothlin reported:

Talking with neighbors regarding Short Term Rental issues

July 1st rule no camping changes – no drastic changes will be made

CONSENT AGENDA

It was moved by Randall and seconded by Richardson to approve the Consent Agenda as presented. The motion carried 5 to 0, Randall, Richardson, Long, Runyon, McGlothlin voting in favor; none opposed.

Items approved on the consent agenda were: The minutes of the May 22, 2023 Regular City Council Meeting; Approval of salary increases for the City Manager, City Attorney and Municipal Court Judge.

PUBLIC HEARING

Public Hearing to Receive Testimony Regarding Proposed Uses of State Shared Revenues

Council President Tim McGlothlin read the procedure for the Public Hearing.

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Finance Director Angie Wilson reviewed the staff report.

Council President Tim McGlothlin asked for testimony. He asked each person to state their name before speaking.

Hearing none, he closed the Public Hearing and asked for Council deliberations.

Resolution No. 23-015 Declaring the City's Election to Receive State Revenues for Fiscal Year 2023-24

It was moved by Long and seconded by Randall to adopt Resolution No. 23-015 Declaring the City's Election to Receive State Revenues for Fiscal Year 2023/2024. The motion carried 5 to 0; Long, Randall, Runyon, Richardson, McGlothlin voting in favor; none opposed.

Public Hearing to Receive Testimony Regarding the Proposed Fiscal Year 2023-24 Budget

Council President Tim McGlothlin opened the public hearing, and asked for the staff report.

Finance Director Angie Wilson reviewed the staff report. She noted a grant for solar panels for the Navigation Center being built by Mid-Columbia Community Action Council (MCCAC) in the amount of \$758,051 had been approved, therefore needed to be added to the Special Grants Fund

Council President Tim McGlothlin asked for testimony, hearing none he closed the hearing.

Council President Tim McGlothlin asked for Council deliberation.

Finance Director Wilson asked for two motions; first approve the budget including the additional funds for animal control, then adopt Resolution No. 23-016 adopting the fiscal year 2023-24 Budget.

It was moved by Randall and seconded by Long to approve the budget approved by the Budget Committee, including \$28,115 additional funds to increase the animal control department for the new dog control vehicle that will not be completed until FY2023/24; and Special Grants fund to receive \$758,051 for a grant for solar panels at the MCCAC. The motion carried 5 to 0; Long, Randall, McGlothlin, Richardson, Runyon voting in favor; none opposed.

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Resolution No. 23-016 Adopting the 2023-24 Fiscal Year Budget for the City of The Dalles, Making Appropriations, Authorizing Expenditures, Levying Taxes, and Authorizing the City Manager to Take Such Action as Necessary to Carry Out the Adopted Budget

It was moved by Long and seconded by Randall adopt Resolution No. 23-016 Adopting the Fiscal Year 2023-2024 Budget for the City of The Dalles, making Appropriations, Authorizing Expenditures, Levying Taxes, and Authorizing the City Manager to Take Such Action as Necessary to carry out the Adopted Budget. The motion carried 5 to 0; Randall, Long, Richardson, Runyon, McGlothlin voting in favor; none opposed.

CONTRACT REVIEW BOARD

Contract No. 2023-009 City Hall Upstairs Remodel Award

Human Resources Director Daniel Hunter reviewed the staff report.

It was moved by Long and seconded by Randall to authorize the City Manager to enter into Contract No. 2023-009 with Griffin Construction, LLC for the City Hall – Second Floor Remodel in an amount not to exceed \$188,000. The motion carried 5 to 0; Long, Randall, McGlothlin, Richardson, Runyon voting in favor; none opposed.

ACTION ITEMS

Resolution No. 23-017 Authorizing Transfers of Budgeted Amounts Between Various Departments of The General Fund of the City Of The Dalles Adopted Budget, Making Appropriations and Authorizing Expenditures for Fiscal Year Ending June 30, 2023

Finance Director Angie Wilson reviewed the staff report.

It was moved by Randall and seconded by Richardson to adopt Resolution No. 23-017 Authorizing Transfers of Budgeted Amounts between Categories of Various Funds of the City of The Dalles Budget, Making Appropriations and Authorizing Expenditures for Fiscal Year Ending June 30, 2023. The motion carried 5 to 0; Randall, Richardson, Runyon, Long, McGlothlin voting in favor; none opposed.

General Ordinance No. 23-1397 An Ordinance Amending The Dalles Municipal Code Title 1 (Government) Chapter 1.12 Municipal Court to Revise Penalties for Continuing Violations

City Attorney Jonathan Kara reviewed the staff report.

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Council President Tim McGlothlin asked if any Councilor wanted the Ordinance read in full. Hearing none, he asked the City Clerk to read the Ordinance by title only.

City Clerk Grossman read the Ordinance by title only.

It was moved by Long and seconded by Randall to adopt General Ordinance No. 23-1397, an ordinance amending The Dalles Municipal Code Title 1 (Government) Chapter 1.12 (Municipal Court) to revise penalties for continuing violations, by title only. The motion carried 5 to 0; Long, Randall, Richardson, Runyon, McGlothlin voting in favor; none opposed.

EXECUTIVE SESSION

In accordance with ORS 192.660(2)(h) to conduct to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

Council President McGlothlin recessed Open Session at 6:15 p.m.

Council President McGlothlin reconvene Open Session 7:05 p.m.

There was no decision.

ADJOURNMENT

Being no further business, the meeting adjourned at 7:08 p.m.

Submitted by/
Izetta Grossman, CMC
City Clerk

SIGNED: _____
Richard A. Mays, Mayor

ATTEST: _____
Izetta Grossman, CMC City Clerk

RESOLUTION NO. 23-019

**A RESOLUTION CONCURRING WITH THE
MAYOR'S APPOINTMENTS TO THE BEAUTIFICATION COMMITTEE**

WHEREAS, there are vacant positions on the Beautification Committee; and

WHEREAS, the Mayor has elected to appoint Whitney Walker to the Beautification Committee.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS
FOLLOWS:**

Section 1. The City Council concurs with the appointment of:

Whitney Walker to the Beautification Committee; with term expiring June 30, 2026.

Section 2. This Resolution shall be effective June 26, 2023.

PASSED AND ADOPTED THIS 26th DAY OF JUNE, 2023.

Voting Yes, Councilors: _____
Voting No, Councilors: _____
Absent, Councilors: _____
Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 26th DAY OF JUNE, 2023.

SIGNED: _____ ATTEST: _____

Richard A. Mays, Mayor Izetta Grossman, CMC, City Clerk

RESOLUTION NO. 23-018

**A RESOLUTION ASSESSING THE REAL PROPERTY LOCATED AT
2103 WEST 10th STREET FOR THE COSTS OF NUISANCE ABATEMENT**

WHEREAS, the City Code Enforcement Officer posted a Notice to Abate Nuisance upon the following listed properties on the dates shown below:

| <u>Property</u> | <u>Assessor's Map No.</u> | <u>Date of Posting</u> |
|-----------------------------------|-----------------------------|------------------------|
| 2103 West 10 th Street | 2N 13E 32 DD as Tax Lot 501 | March 17, 2023 |

WHEREAS, according to Wasco County real property records, the following persons are the owners of record for tax purposes of the following listed property:

| <u>Property</u> | <u>Owner</u> |
|-----------------------------------|----------------------|
| 2103 West 10 th Street | Larry and Joy Eckart |

WHEREAS, the Notice to Abate Nuisance required the removal of noxious vegetation and/or junk from the listed property pursuant to the provisions of Section 5.24.040 of The Dalles Municipal Code;

WHEREAS, the Notice to Abate Nuisance further provided if the nuisance conditions were not abated the City would hire a contractor to abate the nuisance conditions, and the costs of the abatement would be charged to the owner of the property, and become a lien upon the property;

WHEREAS, as a result of the owners' failure to abate the nuisance conditions on the property, the City hired the following listed contractor, who abated the nuisance conditions on the dates listed below, for the costs listed below:

| <u>Property</u> | <u>Contractor</u> | <u>Date of Abatement</u> | <u>Cost</u> |
|-----------------------------------|-------------------|--------------------------|-------------|
| 2103 West 10 th Street | Rod Huante | April 21, 2023 | \$5,000.00 |

WHEREAS, pursuant to Section 5.24.070 of The Dalles Municipal Code, on May 19, 2023, the City Clerk sent a Notice of Assessment by certified mail to Larry and Joy Eckart advising them the total cost of the assessment for the property was \$5,000.00, and the listed sum would become a lien upon the property if the amount was not paid by June 2, 2023, or the assessment was not protested by May 24, 2023 by Larry and Joy Eckart;

WHEREAS, Larry and Joy Eckart failed to file any objection by the stated deadline and failed to pay the balance of the assessment by the deadline listed in the Notices of Assessment, and the City Council finds the statement of the amount of the proposed assessments is correct and no reason exists to justify any delay in proceeding with the imposition of a lien upon the properties for the cost of the assessments.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF THE DALLES
RESOLVES AS FOLLOWS:**

Section 1. Assessment. The cost of the abatements of the nuisance conditions of a boat, garbage and junk for the following property:

| <u>Name/Address</u> | <u>Description</u> | <u>Final Assessment</u> |
|---------------------|-----------------------------|-------------------------|
| Larry & Joy Eckart | 2N 13E 32 DD as Tax Lot 501 | \$5,000.00 |

The legal description for the properties is shown in the list of descriptions attached to and made part of this Resolution as Exhibit "A".

Section 2. Docket Entry. Upon passage of this Resolution and its approval by the Mayor, the following information shall be entered into the City Electronic Lien Docket:

- a. The foregoing legal description of the property assessed.
- b. The names of the owners or a statement the owners are unknown.
- c. The sum assessed upon each lot or tract of land.
- d. The date of the docket entry.

Section 3. Notices/Collection of Assessment. The City Clerk is directed to proceed with notice and collection of the assessment in accordance with the procedures prescribed by Oregon law for enforcement of liens and collection of assessments.

Section 4. Effective Date. This Resolution shall be effective upon adoption.

PASSED AND ADOPTED THIS 27th DAY OF JUNE, 2023,

Voting Yes, Councilors: _____
Voting No, Councilors: _____
Absent, Councilors: _____
Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 27th DAY OF JUNE, 2023.

Richard A. Mays, Mayor

Attest:

Izetta Grossman, CMC, City Clerk

Exhibit “A”

LEGAL DESCRIPTION for 2103 West 10th
Assessor's Map No. 2N 13E 32 DD as Tax Lot 501

Parcel 1 of Partition Plat Number 2005-24 recorded August 25, 2005 under Microfilm No. 20054782, Records of Wasco County, State of Oregon, being a portion of Lot 5, Block 2, Mission Park Tracts, County of Wasco, State of Oregon.



AGENDA STAFF REPORT

AGENDA LOCATION: Action Item #10A

MEETING DATE: June 26, 2023

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

ISSUE: Authorization of an Option Agreement for the Potential Purchase of Real Property in The Dalles Municipal Watershed

BACKGROUND: City Council has previously been presented with information about a potential opportunity to purchase one of the last remaining privately-owned parcels of land located within the drainage basin of The Dalles Municipal Watershed. Following the latest presentation on October 24, 2022, Council authorized a Letter of Understanding (LOU) with Lupine Forest LLC and The Conservation Fund (TCF) to secure funding for the purchase of approximately 3,445 acres of Watershed property. The LOU indicated an intent to complete a cooperative purchase of the property and has been executed. With the LOU, The Conservation Fund is seeking to obtain 75% funding from the US Forest Service's Forest Legacy Program for the City's acquisition of the property; if successful, an estimated \$2,025,000 grant would supplement about \$675,000 from the City to complete an estimated \$2,700,000 purchase. It is anticipated that it may take 2-4 years to secure the funding and complete the acquisition.

Concurrent with the TCF's applications for funding, City staff has been working with TCF to develop an Option Agreement outlining the legal terms of the purchase. The proposed Option Agreement is attached for City Council's consideration. It provides that the City would pay \$1.00 to Lupine Forest LLC to secure the option to purchase the property some time before December 15, 2026. During that time, the property would be formally appraised, and the appraised value would be the purchase price. If the requested grant funding is secured, the City could then exercise its option to complete the purchase. The proposed Option Agreement has been reviewed and approved by the City Attorney.

BUDGET ALLOCATION: If the Option Agreement is approved, the City will pay \$1.00 from the Water Fund to Lupine Forest LLC to secure an option to purchase approximately 3,445 acres of Watershed real property. The City would also pay for half

of the costs to appraise the property. If the requested grant funding is secured, there will be a future expenditure of funds to complete the property purchase in 2-4 years from the Water Reserve Fund, or other fund as may be directed by the City Council and City Manager.

COUNCIL ALTERNATIVES:

- A. **Staff Recommendation:** *Move to authorize the execution of an Option Agreement with Lupine Forest LLC for the purchase of approximately 3,445 acres of real property located within and near the drainage of The Dalles Municipal Watershed.*
- B. Deny authorization of the proposed Option Agreement and provide additional direction to staff.

OPTION AGREEMENT FOR THE PURCHASE OF REAL ESTATE

(The Dalles Watershed)

THIS OPTION AGREEMENT FOR THE PURCHASE OF REAL ESTATE (the “Agreement”) is entered into by and between **LUPINE FOREST LLC**, a Delaware limited liability company (“Seller”) and the **CITY OF THE DALLES**, a municipal corporation of the State of Oregon (“Purchaser”). Seller and Purchaser shall each be a “Party” and, collectively, the “Parties.” The “Effective Date” of this Agreement shall be the last date signed by either Party.

RECITALS:

A. Seller owns certain real property located in Wasco County, Oregon, comprising 3,444.55± acres, together with the buildings and improvements thereon, if any, and all rights, hereditaments, easements and appurtenances belonging thereto (collectively, the “Property”), as more fully described in Exhibit A attached hereto.

B. Seller desires to grant to, and Purchaser desires to obtain from Seller, an exclusive option to purchase the Property from Seller, on the terms and conditions set forth herein.

AGREEMENT:

For and in consideration of the mutual covenants and agreements herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Grant of Option.

1.1. Grant. Seller hereby grants to Purchaser the exclusive option (the “Option”) to purchase the entirety of the Property from Seller, exercisable by Purchaser during the Option Term (as defined in Section 1.3), on the terms and conditions set forth in this Agreement.

1.2. Option Consideration. Within ten (10) business days after the Parties’ full execution of this Agreement, Purchaser shall pay to Seller One Dollar (\$1.00) as consideration for the Option (the “Option Consideration”). The Option Consideration shall be nonrefundable to Seller and shall be applicable toward the Purchase Price (as defined in Section 2.2) if Purchaser exercises the Option.

1.3. Option Term. The term of the Option (the “Option Term”) shall commence on the Effective Date and shall automatically expire at 5:00 p.m. Pacific time on December 15, 2026, unless duly extended, exercised, or sooner terminated pursuant to this Agreement.

1.4. Exercise of Option. At any time during the Option Term, Purchaser may exercise the Option only with regard to the entirety of the Property, by sending Seller notice, in accordance with Section 9.1, that Purchaser is exercising the Option (the “Exercise Notice”).

1.5. Memorandum of Option. Simultaneously with the execution of this Agreement, the Parties shall execute a Memorandum of Option, in the form attached hereto as Exhibit B for filing in the Official Records of Wasco County, Oregon (the "Records") at Purchaser's expense.

2. Purchase and Sale.

2.1. Purchase and Sale. Upon Purchaser's delivery of the Exercise Notice to Seller, Seller shall sell to Purchaser, and Purchaser shall purchase from Seller, the entirety of the Property for the Purchase Price set forth in Section 2.2. At Closing (as defined in Section 3.1), Seller shall convey the Property free and clear of any and all liens, deeds of trust, leases, rights of possession, occupancies, easements, rights of way, restrictions, and other encumbrances (each, an "Encumbrance"), other than: (i) Encumbrances identified as permitted encumbrances on Exhibit C attached hereto; (ii) Encumbrances expressly waived by Purchaser in writing; and (iii) any lien of real estate taxes or assessments not yet delinquent (collectively, the "Permitted Encumbrances").

2.2. Appraisal; Purchase Price. During the Option Term, the Parties shall jointly select a qualified professional appraiser licensed in the State of Oregon (the "Appraiser") who shall be separately approved by the Oregon Department of Forestry ("ODF") to perform an appraisal (the "Appraisal") of the Property according to the Uniform Appraisal Standards for Federal Land Acquisitions (also known as a Yellow Book Appraisal) or such other appraisal standards that may be mandated under the United States Department of Agriculture Forest Service Forest Legacy Program, in accordance with the provisions of the Cooperative Forestry Assistance Act of 1978, P.L. 95-313 as amended (codified at 16 U.S.C. § 2101 et seq) (the "FLP"). The Parties understand as of the Effective Date that the cost of such Appraisal shall be covered by ODF, but in the event that ODF does not cover such cost, the Parties agree to share equally in the same. To the extent allowed by ODF, the Parties shall be the co-clients for the Appraisal, each with opportunity for review and comment. The Parties shall collaborate with ODF to ensure that Appraisal occurs during the Option Term at such a time as allows for the Option to be exercised and the Closing to occur within the timeframe contemplated in this Agreement. The Appraisal shall conclude the fair market value for the Property, and shall be performed by the Appraiser pursuant to written instructions to be mutually developed by ODF (and by Purchaser and Seller, to the extent allowed by ODF under the terms of the FLP) as soon as is reasonably practicable after the Appraiser has been selected pursuant to the terms hereof. The purchase price for the Property (the "Purchase Price") shall be equal to the fair market value of the same set forth in the Appraisal.

3. Closing.

3.1. Closing Date. Unless the Parties mutually agree otherwise, the closing of the purchase-sale transaction contemplated by this Agreement (the "Transaction") shall be completed (the "Closing") at the offices of a title company experienced in timberlands transactions in the State of Oregon to be mutually selected by the Parties in their collective, commercially reasonable discretion during the Option Term (the "Title Company"), on or before the date that is thirty (30) days after Purchaser's delivery of the Exercise Notice to Seller (the "Closing Date").

3.2. Delivery of Purchase Price. The Purchase Price shall be paid by Purchaser to Seller at the Closing by wire transfer of federal or other immediately available funds.

3.3. Deed. At Closing, Seller shall execute and deliver to Purchaser a special warranty deed in form and substance reasonably acceptable to the Parties in their collective, commercially reasonable discretion, conveying marketable title to the Property (the “Deed”). Purchaser acknowledges and agrees that the Deed transferring the Property will include nonnegotiable deed provisions relating to the use and protection of the Property as required by ODF and the FLP.

3.4. Closing Costs and Prorations. Purchaser shall pay the Title Company’s fees and expenses, the premium for the Title Policy (as defined in Section 4.2), all recording fees, all real estate and other transfer taxes, and all other Closing and transfer costs. Seller shall pay the costs of releasing Encumbrances, if any, other than Permitted Encumbrances.

3.5. Prorations of Taxes, Other Expenses and Income. At Closing, all expenses and income with respect to the Property (including, without limitation, rents, utilities, real estate taxes, and special assessments) shall be prorated as of the Closing Date, with Seller to pay (or be credited with) those items attributable to the period of time prior to the Closing Date, and Purchaser to pay (or be credited with) those items attributable to the period of time on or subsequent to the Closing Date. All prorations of real and personal property taxes and special assessments shall be allocated utilizing the customary tax cycle(s) in the taxing district in which the Property is situated, based on the most recent ascertainable tax bill.

4. Investigation of the Property and Title Defects.

4.1. Due Diligence; Access to Property. During the Option Term, Purchaser, at reasonable times and after prior notice to Seller, at its sole cost and expense, shall have the right to enter upon the Property for mapping, surveying, non-intrusive physical and environmental inspections, conducting appraisals, and other reasonable purposes related to the Transaction, provided, that Purchaser shall not conduct any digging, excavation or soil, water, groundwater or other media sampling, testing or removal, or other intrusive investigations without the prior written consent of Seller, such consent to be granted or denied in Seller’s sole and absolute discretion. Subject to the limitations of the Oregon Tort Claims Act (ORS 30.260 to 30.300) and the Oregon Constitution, Purchaser hereby indemnifies and holds harmless Seller and Seller’s members, employees, officers, and directors from and against any and all claims, liabilities, liens, damages, losses, expenses, actions, and causes of action arising out of or in any way incident to the entry onto and/or inspection of the Property by Purchaser or its employees, agents, or any third party who enters upon the Property or conducts any inspection related to the Property at the request of or on behalf of Purchaser or its agents, provided, that such indemnification and hold harmless shall not apply to claims arising solely and exclusively out of the solely negligent or willful or wanton conduct of Seller. In exercising its right to enter onto the Property, Purchaser, or any agent of Purchaser, shall have and maintain general liability insurance with a policy limit of not less than \$2,000,000, and shall provide Seller with a certificate of insurance evidencing such coverage and naming Seller as an additional insured party. If the Transaction fails to close for any reason other than Seller’s breach, Purchaser shall be liable to Seller for the restoration of any damages caused by the entry by Purchaser or any of its agents onto the Property pursuant to this Section 4.1. Purchaser’s delivery of the Exercise Notice shall be deemed to constitute Purchaser’s acceptance of the

Property conditions, and the Closing shall not be conditioned upon any further investigations of the Property by Purchaser.

4.2. Title Policy. The Closing shall be conditioned upon the Title Company being irrevocably committed to issue to Purchaser at the Closing an ALTA standard coverage owner's policy of title insurance in an amount equal to the Purchase Price, and showing title to the Property vested in Purchaser, subject only to the Permitted Encumbrances (the "Title Policy").

4.3. Survey. Purchaser shall have the right to obtain, at any time during the Option Term and at its sole cost and expense, an ALTA Land Title Survey, boundary line survey, or other survey of the Property or portion thereof (a "Survey"), to be performed by a licensed surveyor selected by Purchaser and reasonably acceptable to Seller.

4.4. Title Defects. Purchaser may at any time during the Option Term give notice to Seller of any matter disclosed by a title commitment or Survey that materially and adversely affects Purchaser's intended acquisition of the Property or portion thereof from the standpoint of title (each a "Title Defect"). Seller hereby acknowledges and agrees that it will, within thirty (30) days of Purchaser's notification of a Title Defect associated with any portion of the Property for which Purchaser has exercised the Option, either: (a) cure or correct the Title Defect; (b) provide assurances satisfactory to Purchaser that Seller will cure or correct such Title Defect at or before Closing; or (c) notify Purchaser that Seller will *not* cure or correct the Title Defect prior to Closing. Seller's failure to take any of the actions set forth in subsections (a) through (c) above shall be deemed Seller's election not to cure or correct such Title Defect prior to Closing. In the event that Seller notifies Purchaser that Seller will not cure or correct any Title Defect prior to Closing (or Seller is deemed to have made such election), Purchaser shall have the option (exercised by providing notice to Seller) of: (i) terminating this Agreement, (ii) rescinding the Exercise Notice without terminating this Agreement, or (iii) waiving the Title Defect as a condition precedent to the Closing, in which case the Title Defect shall become a Permitted Encumbrance and the Parties shall proceed to Closing without any corresponding decrease in the Purchase Price. If Purchaser elects the action set forth in subsection (i) above, Purchaser shall have the rights set forth in Section 8.2. Unless Purchaser exercises its right to terminate this Agreement under subsection (i) above, the terms and conditions of this Agreement shall remain in place, and Purchaser shall continue to have the right to exercise the Option.

4.5. Purchaser Satisfaction. Purchaser covenants that it has, or as of Closing it will have, investigated the Property to its satisfaction and that Purchaser is or will be as of the Closing satisfied with the condition of the Property as revealed by its own investigations.

5. Representations and Warranties.

5.1. Seller Representations and Warranties. Seller hereby represents and warrants to Purchaser, as of the Effective Date and as of the Closing, except to the extent a representation and warranty is limited to a specific date:

(a) Organization and Authority. Seller is a limited liability company organized under the laws of Delaware, and is validly existing and qualified to do business in the State of Oregon.

(b) Authorization. Seller has taken all action necessary for the authorization, execution, and delivery of this Agreement and for Seller's performance of its obligations hereunder. This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms. Seller's signatories have full right and authority to execute and deliver this Agreement and all related documents.

(c) Record Owner. Seller is the record owner of the Property, and holds marketable title to the Property, subject to the Permitted Exceptions.

(d) Legal Proceedings. To Seller's actual knowledge, without investigation, there are no actions, suits, proceedings or investigations pending or threatened against Seller or the Property that could materially and adversely affect the ability of Seller to fulfill its obligations under this Agreement.

(e) No Conflict. The execution and delivery of this Agreement and the performance by Seller of its obligations hereunder will not conflict with or result in a violation of its articles of incorporation or bylaws or, to Seller's actual knowledge without investigation, any material agreement, instrument, order, writ, judgment or decree to which Seller is a party or is subject.

(f) Non-Foreign Status. Seller is not a "foreign person" as defined by the Internal Revenue Code (26 U.S.C. § 1445(f)(3)). At or prior to Closing, Seller shall furnish to Purchaser a duly executed Affidavit of Non-Foreign Status in the form provided by the Title Company.

(g) Broker's Commission. Seller has not contracted with any broker or finder with regard to the Transaction and Seller agrees to indemnify, defend, and hold harmless Purchaser from and against any and all liability, claims, demands, damages, and costs of any kind incurred by or to which Purchaser is subject arising out of or in connection with any broker's or finder's fee, commission, or charges claimed to be due any person engaged by Seller in connection with the Transaction.

(h) Anti-Terrorism.

(i) Neither Seller nor the holder of any direct or indirect ownership interest in Seller (collectively, the "Seller Parties"), or any affiliate of Seller, is subject to sanctions of the United States government or in violation of any laws relating to terrorism or money laundering, including, without limitation, Terrorism Executive Order or a person similarly designated under any related enabling legislation or any other similar Executive Orders, the Patriot Act, any sanctions and regulations promulgated under authority granted by the Trading with the Enemy Act, 50 U.S.C. App. 1-44, as amended from time to time, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, as amended from time to time, the Iraqi Sanctions Act, Publ. L. No. 101-513; United Nations Participation Act, 22 U.S.C. § 287c, as amended from time to time, the International Security and Development Cooperation Act, 22 U.S.C. § 2349 aa-9, as amended from time to time, The Cuban Democracy Act, 22 U.S.C. §§ 6001-10, as amended from time to time, The Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 2339b,

as amended from time to time, and The Foreign Narcotics Kingpin Designation Act, Publ. L. No. 106-120, as amended from time to time (collectively, the “Terrorism/Money Laundering Laws”).

(ii) None of Seller, the Seller Parties, nor any affiliate of Seller is (A) listed on the Specially Designated Nationals and Block Person List (the “SDN List”) maintained by the Office of Foreign Assets Control (“OFAC”), Department of the Treasury, and/or on any other similar list (collectively with the SDN List, the “Lists”) maintained by the OFAC pursuant to any authorizing statute, Executive Order or regulation; or (B) a person (a “Designated Person”) either (x) included within the term “designated national” as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, or (y) designated under Sections 1(a), 1(b), 1(c) or 1(d) of the Terrorism Executive Order or a Person similarly designated under any related enabling legislation or any other similar Executive Orders (collectively, a “Prohibited Person”).

5.2 Purchaser Representations and Warranties. Purchaser hereby represents and warrants to Seller, as of the Effective Date and as of the Closing, except to the extent a representation and warranty is limited to a specific date:

(a) Organization and Authority. Purchaser is a municipal corporation under the laws of the State of Oregon, and is validly existing and in good standing under the laws of such state.

(b) Authorization. Purchaser has taken all action necessary for the authorization, execution, and delivery of this Agreement and for Purchaser’s performance of its obligations hereunder. This Agreement constitutes the legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms. Purchaser’s signatories have full right and authority to execute and deliver this Agreement and all related documents.

(c) Legal Proceedings. To Purchaser’s actual knowledge, without investigation, there are no actions, suits, proceedings, or investigations pending or threatened against Purchaser that could materially and adversely affect the ability of Purchaser to fulfill its obligations under this Agreement.

(d) No Conflict. The execution and delivery of this Agreement and the performance by Purchaser of its obligations hereunder will not conflict with or result in a violation of its articles of incorporation, bylaws, governmental charter or other governing documents, or, to Purchaser’s actual knowledge without investigation, any material agreement, instrument, order, writ, judgment or decree to which Purchaser is a party or is subject.

(e) Broker’s Commission. Purchaser has not contracted with any broker or finder with regard to the Transaction and Purchaser agrees (subject to the limitations of the Oregon Tort Claims Act and Oregon Constitution) to indemnify, defend, and hold harmless Seller from and against any and all liability, claims, demands, damages and costs of any kind incurred by or to which Seller is subject arising out of or in connection with any broker’s or finder’s fee, commission, or charges claimed to be due any person engaged by Purchaser in connection with the Transaction.

(f) Anti-Terrorism.

(i) None of Purchaser, the holder of any direct or indirect ownership interest in Purchaser nor any of Purchaser's affiliates (collectively, the "Purchaser Parties") is subject to sanctions of the United States government or in violation of any laws relating to terrorism or money laundering, including, without limitation, the Terrorism/Money Laundering Laws.

(ii) None of Purchaser, the Purchaser Parties nor any affiliate of Purchaser is (A) listed on the Lists; or (B) a Designated Person or Prohibited Person.

6. Additional Covenants and Agreements.

6.1. Preservation of the Property. Seller shall not mortgage, lease, encumber or otherwise dispose of the Property or any part thereof prior to Closing or the termination of this Agreement, without first having obtained the prior written consent of Purchaser, except as provided in Section 6.2. Seller agrees that except as provided in Section 6.2 or on Exhibit D attached hereto, the Property conditions shall remain substantially as they exist on the Effective Date until Closing, subject to events of force majeure that may occur during the Option Term, including (without limitation) fire, earthquake, storms, flood, war, weather conditions or restrictions under any applicable laws, such as environmental laws and regulations, acts of sabotage, volcanic eruption or venting of volcanic gas, earthquake or any other such cause or causes (whether or not of a similar nature) beyond the reasonable control of Seller (each of the foregoing a "Force Majeure Event") and reasonable wear and tear.

6.2. Condemnation; Risk of Loss. If at any time between the Effective Date and Closing, all or any significant portion of the Property is condemned by any legally constituted authority for any public use or purpose, or the Property or any portion thereof is damaged by whatever cause (including, without limitation, any Force Majeure Event), then that portion of the Property affected by such condemnation or damage shall be excluded from the Option and the Purchase Price shall be reduced accordingly (assuming the affected portion is included in the Appraisal) based on the acreage of the portion of the Property condemned or damaged in relation to the acreage of the entirety of the Property originally identified herein (wherein the term "Property" as used herein shall thereafter refer to the Property less and except any portion thereof taken by such condemnation or damaged), and Seller will collect all awards or proceeds from any condemnation or casualty, and this Agreement (as adjusted) shall remain in full force and effect and binding on the Parties.

6.3. Time of Essence. Purchaser and Seller expressly and specifically agree that time is of the essence of this Agreement and all provisions, obligations, and conditions hereof.

6.4. Mutual Cooperation. Each Party hereto agrees to execute and deliver such other and further instruments and documents as may reasonably be requested by the other to carry out this Agreement and convey title to the Property to Purchaser after exercise of the Option. Each Party hereto covenants to exercise good faith in fulfilling its obligations under this Agreement. This Section 6.4 shall survive Closing.

6.5. Coordination of Public Announcements. Except for public notices connected with Purchaser's status as a public body, including public distribution of its governing body's meeting agendas, the Parties shall cooperate on and coordinate all public announcements, in whatever medium, regarding the Transaction, and neither Party shall release any public statement regarding the Transaction or Closing without the prior written approval of the other Party, which shall not be unreasonably withheld, conditioned, or delayed. This Section 6.5 shall survive Closing and any termination of this Agreement.

7. Property Conditions; Disclaimers.

7.1. **"AS IS" NATURE OF TRANSACTION.** UPON EXERCISE OF THE OPTION, THE PROPERTY WILL BE PURCHASED IN ITS "AS IS" CONDITION AND "WITH ALL FAULTS" ON THE CLOSING DATE. PURCHASER HAS THE RIGHT AND DUTY TO INSPECT THE PROPERTY OR TO HAVE IT INSPECTED BY A PERSON OF PURCHASER'S CHOICE, AT PURCHASER'S EXPENSE, PURSUANT TO SECTION 4.1. PURCHASER REPRESENTS THAT IT IS A KNOWLEDGEABLE PURCHASER OF REAL ESTATE AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND INSPECTIONS OF THE PROPERTY AND ASSUMES THE RISK THAT ADVERSE MATTERS MAY NOT BE REVEALED BY PURCHASER'S INSPECTIONS. PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING, SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE PROPERTY IN ITS "AS IS" CONDITION AND "WITH ALL FAULTS."

7.2. **NO SELLER REPRESENTATIONS.** EXCEPT AS SPECIFICALLY SET FORTH IN SECTION 5.1 OF THIS AGREEMENT, SELLER HAS NOT MADE, DOES NOT MAKE, AND HAS NOT AUTHORIZED ANYONE ELSE TO MAKE, ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, AS TO THIS AGREEMENT OR THE TRANSACTION DESCRIBED HEREIN, THE PROPERTY OR ITS CONDITIONS. BY WAY OF AMPLIFICATION AND NOT IN LIMITATION OF THE FOREGOING, SELLER HAS NOT MADE, DOES NOT MAKE, AND HAS NOT AUTHORIZED ANYONE ELSE TO MAKE ANY REPRESENTATIONS OR WARRANTIES REGARDING: (A) THE EXISTENCE OR NON-EXISTENCE OF ACCESS TO OR FROM THE PROPERTY OR ANY PORTION THEREOF; (B) THE LOCATION OF THE PROPERTY OR ANY PORTION THEREOF WITHIN ANY FLOOD PLAIN, FLOOD PRONE AREA OR WATERSHED; (C) THE AVAILABILITY OF WATER, SEWER, ELECTRICAL, GAS OR OTHER UTILITY SERVICES; (D) THE NUMBER OF ACRES IN THE PROPERTY; (E) THE PRESENT OR FUTURE PHYSICAL CONDITION OR SUITABILITY OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE ENVIRONMENTAL STATUS OF THE PROPERTY; (F) THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY OF THE PROPERTY OR IMPROVEMENTS; (G) THE VOLUME, GRADES, QUALITY OR SPECIES OF TIMBER GROWING UPON THE PROPERTY; (H) OIL, GAS, OR MINERAL RIGHTS CONVEYED; (I) GOVERNMENTAL APPROVALS; (J) TAX CONSEQUENCES OR OTHER TAX MATTERS; OR (K) ANY

OTHER MATTER OR THING RELATING TO THE PROPERTY, THIS TRANSACTION OR THIS AGREEMENT. SELLER HEREBY EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, EITHER EXPRESS OR IMPLIED, EXCEPT AS SPECIFICALLY SET FORTH IN SECTION 5.1. THIS SECTION 7.2 SHALL SURVIVE CLOSING AND THE TRANSFER OF THE PROPERTY CONTEMPLATED BY THIS AGREEMENT, AND SHALL SURVIVE ANY TERMINATION OF THIS AGREEMENT.

7.3. Land Use Disclaimer. THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. 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. 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 VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES, 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.

7.4. Release and Waiver. Upon the Closing, Purchaser shall assume the risk that adverse matters may not have been revealed by its investigations, and, upon the Closing and subject to the limitations of the Oregon Tort Claims Act and Oregon Constitution, Purchaser shall be deemed to have waived, relinquished, and released Seller from and against any and all claims, demands, causes of action (including causes of action in tort), losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, that Purchaser might have asserted or alleged against Seller at any time by reason of or arising out of physical conditions, violations of any applicable federal, state or local laws, rules or regulations, and any and all other acts, omissions, events, circumstances or matters regarding the Property. This Section 7.4 shall survive Closing and the transfer of the Property contemplated by this Agreement.

7.5. Environmental Waiver. By way of amplification and not in limitation of the general release and waiver set forth in Section 7.4, Purchaser hereby knowingly waives any potential right Purchaser may have to receive compensation or contribution relating to the Property to which

Purchaser may be entitled pursuant to the provisions of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., Superfund, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order, decree or other requirement of governmental authority regulating, relating to, or imposing liability or standard of conduct concerning any hazardous, toxic or dangerous substance or material, as now or at any time hereafter in effect, and in the regulations adopted, published and/or promulgated pursuant to said laws. The foregoing waiver shall survive the Closing and the transfer of the Property contemplated by this Agreement.

8. Termination and Default.

8.1. Seller Termination. In the event that Purchaser delivers an Exercise Notice and Seller fully performs or tenders performance of its obligations under this Agreement, and Purchaser is unable or fails to perform Purchaser's obligations under this Agreement, or if the Transaction shall fail to close for any reason other than default by Seller, then Seller may by written notice to Purchaser terminate this Agreement and retain the Option Consideration as agreed upon and liquidated damages, as the sole and exclusive remedy for such default by Purchaser, and the Parties shall be released from all obligations hereunder, provided, that the obligations of both Parties under Section 6.5 shall survive any such termination. Purchaser and Seller hereby acknowledge and agree that Seller's damages would be difficult or impossible to determine and that the amount of the Option Consideration is the Parties' best and most accurate estimate of the damages Seller would suffer in the event the Transaction fails to close due to a breach by Purchaser or other reason other than a default by Seller, and is reasonable under the circumstances existing as of the Effective Date. Purchaser and Seller agree that Seller's right to retain the Option Consideration shall be the sole remedy of Seller in the event of a breach of this Agreement by Purchaser.

8.2. Purchaser Termination. In the event that Purchaser delivers an Exercise Notice and Purchaser fully performs or tenders performance of its obligations under this Agreement, and Seller is unable or fails to perform Seller's obligations under this Agreement, then Purchaser may terminate this Agreement, have the Option Consideration returned to it, and the Parties shall be released from all obligations hereunder, provided, that the obligations of both Parties under Section 6.5 shall survive any such termination. Purchaser and Seller hereby acknowledge and agree that Purchaser's damages would be difficult or impossible to determine and that the amount of the Option Consideration is the Parties' best and most accurate estimate of the damages Purchaser would suffer in the event the Transaction fails to close due to a breach by Seller, and is reasonable under the circumstances existing as of the Effective Date. Purchaser and Seller agree that Purchaser's right to have the Option Consideration returned to it shall be sole remedy of Purchaser the event of a breach of this Agreement by Seller.

9. Miscellaneous.

9.1. Notices. All notices, demands, approvals, requests, or other communications that are required or permitted by this Agreement shall be in writing. All such communications shall be

delivered to the names and addresses below, and may be (a) delivered personally, (b) sent by recognized overnight delivery service, with receipt confirmed, or (c) sent by electronic mail, with receipt confirmed. Notices shall be deemed delivered upon actual receipt by the recipient. Any Party may change its notice address by giving notice of change of address to the other Party as provided herein.

If to Seller: Lupine Forest LLC
Columbia Gorge Program Manager
1040 NE 6th Street
Bend, Oregon 97701
Attn: Kaola Swanson
Email: kswanson@conservationfund.org
Phone: 541-521-0692

With a copy to:

The Conservation Fund
1655 N. Fort Myer Drive, Suite 1300
Arlington, Virginia 22209
Attn: Scott Tison
Email: stison@conservationfund.org
Phone: 703-908-5816

If to Purchaser: City of The Dalles
City Attorney
313 Court Street
The Dalles, Oregon 97058
Attn: Jonathan Kara
Email: jkara@ci.the-dalles.or.us
Phone: 541-296-5481, ext. 1150

With a copy to:

City of The Dalles
City Manager
313 Court Street
The Dalles, Oregon 97058
Attn: Matthew Klebes
Email: mklebes@ci.the-dalles.or.us
Phone: 541-296-5481, ext. 1118

9.2. Assignment. Neither Party to this Agreement may assign this Agreement in whole or in part without the prior written consent of the other Party, provided, that Seller's rights and obligations under this Agreement shall be assigned and delegated to and assumed by any purchaser of the Property during the Option Term. All the provisions in this Agreement shall bind and inure

to the benefit of the Parties hereto and their respective heirs, legal representatives, successors, and permitted assigns.

9.3. Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts or by electronic signature, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Any electronically transmitted copies hereof or signature hereon shall, for all purposes, be deemed originals.

9.4. Severability. If a court of competent jurisdiction finds that any term or provision of this Agreement is invalid or unenforceable, in whole or in part, the validity and enforceability of the remaining terms and provisions, or portions of them, are not affected unless an essential purpose of this Agreement is defeated by loss of the invalid or unenforceable provision.

9.5. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof, supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof, and is intended to be an integration of all prior or contemporaneous agreements, conditions, and/or undertakings between the Parties.

9.6. Governing Law; Venue. This Agreement and all claims or causes of action (whether in contract, tort, or statute) that may be based upon, arise out of, or relate to this Agreement, or the negotiation, execution, or performance of this Agreement (including any claim or cause of action based upon, arising out of, or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), shall be governed by and enforced in accordance with the internal laws of the State of Oregon, including its statutes of limitations, without regard to the conflict of law provisions thereof. Additionally, the Parties agree that in the event of any dispute concerning this Agreement, venue for any cause of action arising out of, or having to do with, this Agreement shall be, and is, in the Wasco County Circuit Court of the State of Oregon.

9.7. Incorporation of Recitals and Exhibits. The recitals and any Exhibits referenced in this Agreement are incorporated herein as if set forth in full in this Agreement.

9.8. Amendments and Waivers. This Agreement may be amended, supplemented, or modified only by a written instrument duly executed by or on behalf of each Party. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in writing and duly executed by the Party waiving such term or condition. A Party's failure to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights. A waiver by a Party of the performance of any covenant, condition, representation, or warranty by the other Party shall not invalidate this Agreement, nor shall such waiver be construed as a waiver of any other covenant, condition, representation, or warranty.

9.9. Expenses. Except as otherwise expressly provided in this Agreement, whether or not the Transaction is completed, each Party will pay its own costs and expenses incurred in

anticipation of, relating to, or in connection with the negotiation and execution of this Agreement and the Transaction.

9.10. Construction. The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof. Unless the context clearly requires otherwise, in this Agreement, including its exhibits and amendments: (a) the plural and singular shall each be deemed to include the other; (b) “or” is not exclusive; (c) “include,” “includes,” and “including” are not limiting and shall be construed as if followed by the words “without limitation;” (d) “shall,” “will,” or “agrees” are mandatory, and “may” is permissive; (e) reference to any Section, Exhibit, or defined term shall be deemed to refer to the Section, Exhibit, or defined term of this Agreement; (f) “days” shall mean calendar days unless otherwise expressly specified; (g) “business days” shall mean a day other than a Saturday, a Sunday, or a day on which banking institutions in Oregon are required or authorized by law or other governmental action to be closed; and (h) if the last day of any period to give notice, reply to a notice, meet a deadline or to undertake any other action occurs on a day that is not a business day, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day.

9.11. Ambiguities. This Agreement has been negotiated at arm’s length and among parties sophisticated and knowledgeable in the matters addressed in this Agreement. Each Party has been represented by experienced and knowledgeable legal counsel or has had an opportunity to retain such counsel to review this Agreement before execution. Accordingly, any rule of law or legal decision that would require interpretation of any ambiguity in this Agreement against the Party who drafted it is inapplicable and is waived. The provisions of this Agreement will be reasonably interpreted to effectuate the purpose of the Parties.

9.12. No Survival. The representations and warranties in this Agreement shall not survive Closing.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

The Parties have executed this Agreement on the dates set forth below.

SELLER:

LUPINE FOREST LLC, a
Delaware limited liability company

By: The Conservation Fund, a nonprofit corporation,
a Maryland nonstock corporation, its Manager

By: _____
Name: _____
Title: _____

Date: _____

PURCHASER:

CITY OF THE DALLES, an
Oregon municipal corporation

By: _____
Name: Matthew B. Klebes
Title: City Manager

Date: _____

ATTEST:

By: _____
Name: Izetta Grossman, CMC
Title: City Clerk

Date: _____

EXHIBIT A

PROPERTY

WASCO COUNTY, OREGON:

(01N12E-4700):

Government Lots 9, 15 and 16, in Section 31; Government Lots 11, 12, 14 and 15 lying North of Upper Mill Creek County Road, EXCEPTING THEREFROM, that portion of the East half of the East half Government Lot 15 lying North of Upper Mill Creek County Road.

(1S11E-100):

Government Lots 1, 2, 3 and 4, the Southeast quarter of the Northeast quarter, South half of the Northwest quarter and the Southwest quarter of Section 1; the Northeast quarter and that portion of the North half of the Southeast quarter lying North of Upper Mill Creek Road of Section 11; that portion of the Northeast quarter and the West half lying North of Upper Mill Creek Road of Section 12, Township 1 South, Range 11 East of the Willamette Meridian, Wasco County, Oregon,

EXCEPT THEREFROM that portion of said Section 11, described as follows: Beginning at a point 197.25 feet South of the quarter corner on the East line of Section 11; thence North along the Section line to a point 57.75 feet North of said quarter corner; thence West 198 feet; thence South 214.5 feet, more or less, to the North line of North Upper Mill Creek County Road; thence Northeasterly along the North line of said road to the point of beginning.

(1S11E-300):

The Southeast quarter of Section 1, Township 1 South, Range 11 East of the Willamette Meridian, Wasco County, Oregon.

(1S11E-400):

The Southeast quarter of Section 2, Township 1 South, Range 11 East of the Willamette Meridian, Wasco County, Oregon.

(1S11E-500):

Government Lots 1 and 2, the South half of the Northeast quarter of Section 2, Township 1 South, Range 11 East of the Willamette Meridian, Wasco County, Oregon.

(1S11E-600):

Government Lots 3 and 4, the South half of the Northwest quarter of Section 2, Township 1 South, Range 11 East of the Willamette Meridian, Wasco County, Oregon.

(1S11E-700):

The North half of the Southwest quarter and the Southeast quarter of the Southwest quarter of Section 2, Township 1 South, Range 11 East of the Willamette Meridian, Wasco County, Oregon.

(1S11E-900):

Government Lots 1 and 2, the South half of the Northeast quarter, the Southeast quarter of the Northwest quarter, the Northeast quarter of the Southwest quarter, the South half of the Southwest quarter and the North half of the Southeast quarter of Section 3; the North half and that portion of the South half lying North of Upper Mill Creek Road of Section 10; that portion of the West half lying North of Upper Mill Creek Road of Section 11; that portion of the Northwest quarter of the Northwest quarter of Section 15, Township 1 South, Range 11 East of the Willamette Meridian, Wasco County, Oregon.

(1S11E-1800):

The Southeast quarter of the Northeast quarter, the Northeast quarter of the Southeast quarter and the South half of the Southeast quarter of Section 9; that portion of the East half of the Northeast quarter of Section 16, lying northerly and westerly of the present county Road, all Township 1 South, Range 11 East of the Willamette Meridian, Wasco County, Oregon.

(1S12E-100):

Government Lot 3 and that portion of Lot 2 and the Southwest quarter of the Northeast quarter lying West and North of Section 6, Township 1 South, Range 12 East of the Willamette Meridian, Wasco County, Oregon.

(01N11E36-800):

Section 36: The Southeast one-quarter. All in Township 1 North, Range 11, East of the Willamette Meridian, Wasco County, and State of Oregon.

EXHIBIT B

MEMORANDUM OF OPTION

AFTER RECORDING RETURN TO:

Lupine Forest LLC
c/o The Conservation Fund
1655 N. Fort Myer Drive, Suite 1300
Arlington, Virginia 22209
Attn: Scott Tison

**MEMORANDUM OF OPTION AGREEMENT FOR THE
PURCHASE OF REAL ESTATE**

LUPINE FOREST LLC, a Delaware limited liability company (“Seller”) and the **CITY OF THE DALLES**, a municipal corporation of the State of Oregon (“Purchaser”), have entered into an Option Agreement for the Purchase of Real Property (the “Option Agreement”) dated effective [REDACTED], 2023 (the “Effective Date”), wherein Seller has granted to Purchaser an option to purchase (the “Option”) the real property described in Exhibit “A” attached hereto (the “Property”).

This Memorandum does not alter or amend the Option Agreement in any way, but rather is recorded to give notice to third parties of the existence of the Option Agreement. The terms and provisions of the Option Agreement not described herein are more particularly set forth in the Option Agreement, to which reference is here made for all purposes. The initial term of the Option shall automatically expire at 5:00 p.m. Pacific time on December 15, 2026, unless duly extended, exercised, or sooner terminated pursuant to the Option Agreement.

[The remainder of this page intentionally left blank]

SELLER:

LUPINE FOREST LLC, a
Delaware limited liability company

By: The Conservation Fund, a nonprofit corporation,
a Maryland nonstock corporation, its Manager

By: _____
Name: _____
Title: _____

Date: _____

PURCHASER:

CITY OF THE DALLES, an
Oregon municipal corporation

By: _____
Name: Matthew B. Klebes
Title: City Manager

Date: _____

ATTEST:

By: _____
Name: Izetta Grossman, CMC
Title: City Clerk

Date: _____

(Acknowledgments contained on following page)

STATE OF _____)
)ss.
County of _____)

This instrument was acknowledged before me this _____ day of _____, 2023, by _____, the _____ The Conservation Fund, a nonprofit corporation, a Maryland nonstock corporation and the Manager of Lupine Forest LLC, a Delaware limited liability company, on behalf of the limited liability company.

NOTARY PUBLIC FOR _____
My Commission Expires: _____

STATE OF _____)
)ss.
County of Wasco)

This instrument was acknowledged before me this _____ day of _____, 2023, by _____, the _____ of the City of The Dalles, a municipal corporation of the State of Oregon, on behalf of the municipal corporation.

NOTARY PUBLIC FOR OREGON
My Commission Expires: _____

EXHIBIT A
(Property)

WASCO COUNTY, OREGON:

(01N12E-4700):

Government Lots 9, 15 and 16, in Section 31; Government Lots 11, 12, 14 and 15 lying North of Upper Mill Creek County Road, EXCEPTING THEREFROM, that portion of the East half of the East half Government Lot 15 lying North of Upper Mill Creek County Road.

(1S11E-100):

Government Lots 1, 2, 3 and 4, the Southeast quarter of the Northeast quarter, South half of the Northwest quarter and the Southwest quarter of Section 1; the Northeast quarter and that portion of the North half of the Southeast quarter lying North of Upper Mill Creek Road of Section 11; that portion of the Northeast quarter and the West half lying North of Upper Mill Creek Road of Section 12, Township 1 South, Range 11 East of the Willamette Meridian, Wasco County, Oregon,

EXCEPT THEREFROM that portion of said Section 11, described as follows: Beginning at a point 197.25 feet South of the quarter corner on the East line of Section 11; thence North along the Section line to a point 57.75 feet North of said quarter corner; thence West 198 feet; thence South 214.5 feet, more or less, to the North line of North Upper Mill Creek County Road; thence Northeasterly along the North line of said road to the point of beginning.

(1S11E-300):

The Southeast quarter of Section 1, Township 1 South, Range 11 East of the Willamette Meridian, Wasco County, Oregon.

(1S11E-400):

The Southeast quarter of Section 2, Township 1 South, Range 11 East of the Willamette Meridian, Wasco County, Oregon.

(1S11E-500):

Government Lots 1 and 2, the South half of the Northeast quarter of Section 2, Township 1 South, Range 11 East of the Willamette Meridian, Wasco County, Oregon.

(1S11E-600):

Government Lots 3 and 4, the South half of the Northwest quarter of Section 2, Township 1 South, Range 11 East of the Willamette Meridian, Wasco County, Oregon.

(1S11E-700):

20 –OPTION AGREEMENT

The North half of the Southwest quarter and the Southeast quarter of the Southwest quarter of Section 2, Township 1 South, Range 11 East of the Willamette Meridian, Wasco County, Oregon.

(1S11E-900):

Government Lots 1 and 2, the South half of the Northeast quarter, the Southeast quarter of the Northwest quarter, the Northeast quarter of the Southwest quarter, the South half of the Southwest quarter and the North half of the Southeast quarter of Section 3; the North half and that portion of the South half lying North of Upper Mill Creek Road of Section 10; that portion of the West half lying North of Upper Mill Creek Road of Section 11; that portion of the Northwest quarter of the Northwest quarter of Section 15, Township 1 South, Range 11 East of the Willamette Meridian, Wasco County, Oregon.

(1S11E-1800):

The Southeast quarter of the Northeast quarter, the Northeast quarter of the Southeast quarter and the South half of the Southeast quarter of Section 9; that portion of the East half of the Northeast quarter of Section 16, lying northerly and westerly of the present county Road, all Township 1 South, Range 11 East of the Willamette Meridian, Wasco County, Oregon.

(1S12E-100):

Government Lot 3 and that portion of Lot 2 and the Southwest quarter of the Northeast quarter lying West and North of Section 6, Township 1 South, Range 12 East of the Willamette Meridian, Wasco County, Oregon.

(01N11E36-800):

Section 36: The Southeast one-quarter. All in Township 1 North, Range 11, East of the Willamette Meridian, Wasco County, and State of Oregon.

EXHIBIT C
ENCUMBRANCES

Standard Exceptions Applicable to All Counties:

1. The lien for taxes for year 2022 and subsequent years, which are not yet due and payable.
2. Any encroachment, encumbrance, violation, variation, or adverse circumstance, including but not limited to, easements, claims of easements, boundary line disputes, overlaps, encroachments, public roads, highways, cemeteries and/or railroads, affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by Public Records. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. The Company does not insure the square footage or amount of acreage of the Land.
4. The rights of tenants and parties in possession, as tenants or licensees only, under unrecorded leases or license agreements, as well as any other agreements or matters affecting the Title, not shown by the public records, as set forth on Exhibit B attached hereto, none of which contain any options to purchase or rights of first refusal or first offer.
5. Rights to and/or interests in all oil, gas and other minerals or other substances of any kind or character and mineral rights as may have been previously reserved by or conveyed to others and any leases concerning any such oil, gas, other minerals or other substances in, on or under the Land.
6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights or easements appurtenant to water rights, claims or title to water, whether or not the matters excepted under(a), (b), or (c) are shown by the Public Records.
7. Rights of the public and others entitled of the use of the shores of navigable streams and lake fronts.
8. Rights of riparian owners, including littoral rights, governmental entities and the public in and to navigable waters and to the uninterrupted natural flow thereof and any claim to land formerly or presently comprising the bottom land of navigable waters arising from the change of boundaries due to artificial accretion of filled lands.

Special Exceptions for 1N12E

1. Rights of the public and governmental bodies in and to that portion of said premises now or at any time lying below the high water line of tributary of South Fork Mill Creek, including any ownership rights which may be claimed by the State of Oregon as to any portion now or at any time lying below the ordinary high water line.

Such rights and easements for navigation and fishing as may exist over that portion of the property now or at any time lying beneath the waters of tributary of South Fork Mill Creek including but not limited to accretion, reliction and avulsion.

Affects: Parcel 4

2. Reservation of mineral rights, including the terms and provisions therein related to such mineral rights, in deed:
Recorded: January 31, 1997
Instrument No.: 970435
The Company makes no representation as to the present ownership of any such interests.
There may be leases, grants, exceptions or reservations of interests that are not listed.
Affects: Parcel 4

Special Exceptions for 1S11E and 1S12E:

1. Rights of the public and governmental bodies in and to that portion of said premises now or at any time lying below the high water line of North Mill Creek, South Mill Creek and their unnamed tributaries, including any ownership rights which may be claimed by the State of Oregon as to any portion now or at any time lying below the ordinary high water line.

Such rights and easements for navigation and fishing as may exist over that portion of the property now or at any time lying beneath the waters of North Mill Creek, South Mill Creek and their unnamed tributaries.

All matters arising from any shifting in the course of North Mill Creek, South Mill Creek and their unnamed tributaries including but not limited to accretion, reliction and avulsion.

2. Reservation of Coal and other minerals, including the terms and provisions contained therein, in deed from State of Oregon.

Recorded: May 1, 1940

Book: 91, Page: 470

The Company makes no representation as to the present ownership of any such interests.

There may be leases, grants, exceptions or reservations of interests that are not listed.

Affects: Parcels 1 and 2

3. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:

Granted to: United State of America

Recorded: January 2, 1964

Instrument No.: 640004

Affects: Parcel 7

Special Exceptions for 1N11E:

1. Rights of the public and governmental bodies in and to that portion of said premises now or at any time lying below the high water line of unnamed creeks and various creeks, including any ownership rights which may be claimed by the State of Oregon as to any portion now or at any time lying below the ordinary high water line.

Such rights and easements for navigation and fishing as may exist over that portion of the property now or at any time lying beneath the waters of unnamed creeks and various creeks.

All matters arising from any shifting in the course of unnamed creeks and various creeks including but not limited to accretion, reliction and avulsion.

2. Notwithstanding Paragraph 4 of the covered risks of the policy or policies to be issued, the policy or policies will not insure against loss arising by reason of any lack of a right of access to and from the Land.

Affects Parcels 1 and 4.

3. Access Road Easement, including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Granted To: United States of America
Recorded: April 16, 1968
Instrument No.: 680577
Affects Parcel 1

4. Reservation of Mineral Rights, including the terms and provisions contained therein, in deed, ,
Recorded: January 31, 1997
Instrument No.: 970435
The Company makes no representation as to the present ownership of any such interests. There may be leases, grants, exceptions or reservations of interests that are not listed.
Affects Parcel 1

[To be completed prior to execution]

EXHIBIT D

PERMITTED CHANGES IN PROPERTY CONDITIONS

- Timber harvesting for restoration and fuel reduction projects



AGENDA STAFF REPORT

AGENDA LOCATION: Action Item #10B

MEETING DATE: June 26, 2023

TO: Honorable Mayor and City Council

FROM: Daniel Hunter, Human Resources Director

ISSUE: Insurance Renewal

BACKGROUND: Each year City Council reviews the proposed premiums for General Liability, Property, Auto and Workers Compensation Insurance. At this same time, Council also considers renewal of the City's use of Stratton Insurance as our local Agent. The enclosed renewal proposal was prepared by our Agent Breanna Wimber at Stratton Insurance and City/County Insurance Services (CIS). The Workers Compensation premium in the proposal from SAIF, the City's insurer, continues to be below average. In addition, there is a discount for the City's participation in Oregon Group Supplemental Experience Rating Program (OGSERP). This program is part of the cooperative agreement between SAIF and CIS. The FY23-24 premium reflects an experience rating of .71, a decrease from last year's .8 rating. The dollar amount of the premium has increased 4.1%, this is the result of increased payroll, which includes four additional FTE.

This year the General Liability Limit was increase from \$5-million to \$10-million. In addition, the premiums were projected to increase the coming year based on projections provided in February. Those projections were a 9% increase with 15% increase for law enforcement. The proposal reflects a 13.2% increase in General Liability premiums over last year.

Our Property insurance, as with recent years, has experienced double digit premium increase largely due to reinsurer costs. In February I was told by CIS to project 16% to 23% increase in premiums with an additional 7% for new facilities. The rate for Property insurance in the Proposal is a 19.4% increase in premiums over last year.

The Auto insurance includes auto liability and auto physical damage. At the same meeting in February CIS was projecting a 5% increase in auto premiums. Our Auto Liability premium in the proposal reflects a 12% increase over last year. The Auto Physical Damage premium in the proposal reflects a premium increase of 21.7% over last year. The drastic difference in February projected increase to the proposal increase is due to several vehicle crashes during the winter ice.

The City's deductible for all, except Workers Comp, is as high as I am comfortable with at this time. Workers Compensation does not utilize a deductible. City staff and I have made a concerted effort to pay claims directly, when the question of fault is not in dispute and when the cost is manageable, out of city funds, rather than submitting a claim to the insurance.

BUDGET IMPLICATIONS: Each fund in the budget has funds approved to cover their share of the insurance costs associated with this renewal.

COUNCIL ALTERNATIVES:

1. **Staff recommendation:** *Move to approve the City insurance renewal with CIS for General Liability, Property and Auto in amount not to exceed \$576,701.86 and; renew the City workers compensation insurance with SAIF for an amount not to exceed \$94,801.30 for FY23-24 and continue the City's partnership with Stratton Insurance as our Agent of Record.*
2. Direct the City Manager to shop for alternative insurance options.
3. Decline



June 8, 2023

City of The Dalles
313 Court Street
The Dalles OR 97058

Dear Mayor and City of The Dalles City Council,

I am very pleased to be presenting your 2023-2024 SAIF workers compensation renewal proposal as well as your 2023-2024 CIS property and casualty renewal proposal.

The SAIF Workers Compensation renewal for the 2023- 2024 term continues to perform very well. The modification factor in the prior term was a .80 and the renewal term for 2023-2024 will be performing at a modification factor of .71. This means that City of The Dalles will net a heavy concession in the workers compensation premium for this upcoming term.

City of The Dalles can expect a premium of \$94,801.30 which includes an annual pre pay discount of \$3,118.36 as well as the premium discount of \$3,214.80 for participating in the CIS servicing group OGSERP.

City of The Dalles received a SAIF policy dividend in September 2022 in the amount of \$14,253.00. This dividend comprised a 13.44% factor to the premium and a 5.07% loss dividend factor which means your dividend was awarded in excess due to favorable loss history. As we know dividends are never guaranteed from SAIF.

This will mark my first year in providing agent of Record Services to City of The Dalles for the CIS Property and Casualty package. I have spent a good amount of time meeting with various department directors and getting to know them. It's been a blast. City of The Dalles has a wonderful and engaged workforce. In the year we have managed to engage in numerous discussions surrounding the CIS insurance package and make some very notable changes. We engaged an outside cyber liability policy and dug deep into the network security measures in place and plans for the future. We were able to double the per occurrence liability limit up to 10 million to better protect City of The Dalles from large liability losses that may arise.

The CIS package policy premium is partly based on the material and services and personal services outlined in the budget. Both of these areas were higher than last year so that factor alone contributed to higher premiums. City of The Dalles is currently at a higher general liability loss ratio of 101% and is experiencing a heightened rate due to that. As mentioned above, we also increased the liability limit from



5 million per occurrence up to 10 million per occurrence which landed the liability premium at \$373,424.26 for the 2023-2024 term.

Property premiums have continued to rise, not only statewide but nationwide. With the increase in devastating property losses across the nation and in Oregon we are experiencing heightened property premiums. City of The Dalles takes advantage of cost savings on the CIS property line by participating in a \$10k property deductible on real property and \$1k deductible on mobile equipment. The 2023 to 2024 property premium is \$204,289.83.

By purchasing multiple lines of coverage as well as participating in the SAIF risk management group, CIS is offering a multi-line credit to the tune of \$30,302.20

The total CIS Package premium for 2023 to 2024 is \$576,701.86.

In our opinion, these proposals are reflective of the advantageous agent to administration relationship. I thoroughly enjoy working with City of The Dalles. It would be our recommendation to continue the relationship with Agent of Record Breanna Wimber- The Stratton Agency along with CIS as your package provider, risk manager, claims administration and SAIF as your workers compensation provider.

I am honored to represent City of The Dalles as Agent of Record, I hope that you will not hesitate to reach out with any questions.

Sincerely Yours,

A handwritten signature in blue ink, appearing to read 'BW'.

Breanna Wimber
Agent of Record

Property and/or Liability Proposal Summary



citycounty insurance services
cisoregon.org

Named Member
City of The Dalles
313 Court St.
The Dalles, OR 97058

Agent of Record
Stratton Insurance
318 W 2nd St
The Dalles, OR 97058

Proposal Date: 6/2/2023
Member Number: 10212
Effective Date: 7/1/2023
Termination Date: 7/1/2024

This is not an invoice. Information Only.

| Coverage | Description | Amount | Total |
|---|----------------------------------|---------------|---------------------|
| General Liability (Standard-Per Occurrence Plan) | Contribution Limit: \$10,000,000 | \$337,261.40 | |
| | Multi-Line Credit | (\$16,863.07) | |
| | | | \$320,398.33 |
| Auto Liability | Contribution | \$36,162.87 | |
| | Multi-Line Credit | (\$1,808.14) | |
| | | | \$34,354.72 |
| Auto Physical Damage | Contribution | \$28,329.97 | |
| | Multi-Line Credit | (\$1,416.50) | |
| | | | \$26,913.47 |
| Property | Contribution | \$204,289.83 | |
| | Multi-Line Credit | (\$10,214.49) | |
| | | | \$194,075.33 |
| Optional Excess Liability | Not Purchased | | \$0.00 |
| Optional Excess Quake | Not Purchased | | \$0.00 |
| Optional Excess Flood | Not Purchased | | \$0.00 |
| Optional Excess Crime | Contribution | \$960.00 | |
| | | | \$960.00 |
| Optional Cyber Security | Not Purchased | | \$0.00 |
| Optional Excess Cyber Security | Not Purchased | | \$0.00 |
| Difference in Conditions | Not Purchased | | \$0.00 |
| Summary | | | |
| | Contribution | \$607,004.06 | |
| | Multi-Line Credit | (\$30,302.20) | |

This is not an invoice. Information Only.

\$576,701.86

CIS Public Entity Liability Coverage Proposal



citycounty insurance services
cisoregon.org

Proposal Date: 6/2/2023

Coverage Period: 7/1/2023 to 7/1/2024

Named Member
City of The Dalles
313 Court St.
The Dalles, OR 97058

Agent of Record
Stratton Insurance
318 W 2nd St
The Dalles, OR 97058

This Proposal Does Not Bind Coverage
Refer to Coverage Forms for terms, conditions, and limitations of coverage

| Coverage* | Per Occurrence | Annual Aggregate | Per Occurrence Deductible / SIR* | Agg/Retro Deductible |
|---|----------------|------------------|----------------------------------|----------------------|
| Public Entity Liability Coverage (Including Auto Liability) as described in CIS General & Auto Liability Coverage Agreement | \$200,000 | \$600,000 | \$5,000 | None |

Forms Applicable: CIS General & Auto Liability Coverage Agreement - CIS GL/AL (7/1/2023)

| Coverage* | Per Occurrence | Annual Aggregate | | |
|--|----------------|------------------|--|--|
| Excess Public Entity Liability Coverage as described in the CIS Excess Liability Coverage Agreement (limits shown are excess of primary coverage limits) | \$9,800,000 | \$29,400,000 | | |

Forms Applicable: CIS Excess Liability Coverage Agreement - CIS XS/GL (7/1/2023)

| Coverage* | Per Occurrence | Annual Aggregate | | |
|---|----------------|------------------|--|--|
| Additional layer of Excess Liability (General and Auto Liability) | Not Purchased | Not Purchased | | |

*Refer to the CIS General & Auto Liability Coverage Agreement and CIS Excess Liability Coverage Agreement and endorsements (if any) for detailed coverages, special deductibles, limits, sublimits, exclusions, and conditions that may apply.
Excess Liability Coverage does not provide Uninsured Motorist coverage.

| Coverage | Contribution |
|------------------------|---------------------|
| General Liability | \$337,261.40 |
| Auto Liability | \$36,162.87 |
| Excess Liability | \$0.00 |
| Liability Total | \$373,424.26 |

To effect coverage, please sign, date and return this form before requested effective date. Fax or email is acceptable

Accepted by: _____
Authorized Representative / Agent

Date: _____

Auto Physical Damage Coverage Proposal



citycounty insurance services
cisoregon.org

Proposal Date: 6/2/2023

Coverage Period: 7/1/2023 to 7/1/2024

Named Member
City of The Dalles
313 Court St.
The Dalles, OR 97058

Agent of Record
Stratton Insurance
318 W 2nd St
The Dalles, OR 97058

This Proposal Does Not Bind Coverage
Refer to Coverage Forms for terms, conditions, and limitations of coverage

| Autos Covered* | Coverage Limit | Comprehensive Deductible | Collision Deductible | Contribution |
|--|-----------------------------|--------------------------|----------------------|--------------|
| Scheduled Autos | Per Schedule** | Per Schedule** | Per Schedule** | \$28,329.97 |
| Rented or Leased Autos (60 days or less) | ACV Not to Exceed \$100,000 | \$100 | \$500 | Included |
| Newly Acquired Autos | Included | \$100 | \$500 | Included |

*This represents only a brief summary of coverages. Please refer to CIS Auto Physical Damage Coverage Agreement for detailed coverages, exclusions, and conditions that may apply.

Total Contribution: \$28,329.97
Forms Applicable: CIS Auto Physical Damage Coverage Agreement - CIS APD (7/1/2023)
 **Current CIS Auto Schedule

To effect coverage, please sign, date and return this form before requested effective date. Fax or email is acceptable

Accepted by: _____
 Authorized Representative / Agent

Date: _____

Property Coverage Proposal



citycounty insurance services
cisoregon.org

Proposal Date: 6/2/2023

Coverage Period: 7/1/2023 to 7/1/2024

Named Member
City of The Dalles
313 Court St.
The Dalles, OR 97058

Agent of Record
Stratton Insurance
318 W 2nd St
The Dalles, OR 97058

This Proposal Does Not Bind Coverage

Refer to Coverage Forms for terms, conditions, and limitations of coverage

Coverage Limits (Per Occurrence):*

| | |
|---|---|
| Building and Contents and PIO | Per current CIS Property Schedule |
| Mobile Equipment | Per current CIS Mobile Equipment Schedule |
| Earthquake | \$5,000,000 |
| Excess Earthquake - Coverage applies only if coverage limit is shown. None | |
| Flood | \$5,000,000 |
| Excess Flood - Coverage applies only if coverage limit is shown. None | |
| Combined Loss of Revenue and Rental Value | \$1,000,000 |
| Combined Extra Expense and Rental Expense | \$1,000,000 |
| Property in Transit | \$1,000,000 |
| Hired, Rented or Borrowed Equipment | \$150,000 |
| Restoration/Reproduction of Books, Records, etc. | \$100,000 |
| Electronic Data Restoration/Reproduction | \$250,000 |
| Pollution Cleanup | \$25,000 |
| Crime Coverage | \$50,000 |
| Police Dogs (if scheduled) | \$15,000 |
| Off Premises Service Interruption | \$100,000 |
| Miscellaneous Coverage | \$50,000 |
| Personal Property at Unscheduled Locations | \$15,000 |
| Personal Property of Employees or Volunteers | \$15,000 |
| Unscheduled Fine Arts | \$100,000 |
| Temporary Emergency Shelter Restoration | \$50,000 |
| Difference In Conditions - Earthquake & Flood (if any): | \$0 |
| Extra Items (if any): | |

*This represents only a brief summary of coverages. Please refer to CIS Property Coverage Agreement for detailed coverages, exclusions, and conditions that may apply.

| | |
|----------------------------|---|
| Locations Covered: | Per current CIS Property Schedule. |
| Perils Covered: | Risks of Direct Physical Loss subject to the terms, conditions and exclusions contained in the coverage forms listed below under Forms Applicable. |
| Deductibles: | \$10,000 Per occurrence except as noted and as follows (if any). \$1,000 Per occurrence on scheduled mobile equipment items. Earthquake and Flood: Special deductibles and restrictions per Section 2 of the CIS Property Coverage Agreement. |
| Total Contribution: | \$204,289.83 (Property) \$0.00 (Excess Earthquake) \$0.00 (Excess Flood) \$0.00 (Difference In Conditions) |
| Forms Applicable: | CIS Property Coverage Agreement - CIS PR (7/1/2023) |

To effect coverage, please sign, date and return this form before requested effective date. Fax or email is acceptable

Accepted by: _____
Authorized Representative / Agent

Date: _____

Equipment Breakdown Coverage Proposal



citycounty insurance services
cisoregon.org

Proposal Date: 6/2/2023

Coverage Period: 7/1/2023 to 7/1/2024

Named Member
City of The Dalles
313 Court St.
The Dalles, OR 97058

Agent of Record
Stratton Insurance
318 W 2nd St
The Dalles, OR 97058

This Proposal Does Not Bind Coverage

Refer to Coverage Forms for terms, conditions, and limitations of coverage

Coverage Limits:*

| | |
|--|--|
| Property Damage | Per current CIS Property Schedule or \$100,000,000, whichever is less. |
| Rental Value/Rental Expense | Included in Property Damage |
| Extra Expense | Included in Property Damage |
| Service Interruption | Included in Property Damage |
| Drying out following a flood | Included in Property Damage |
| Course of Construction | Included in Property Damage |
| Computer Equipment | Included in Property Damage |
| Portable Equipment | Included in Property Damage |
| CFC Refrigerants | Included in Property Damage |
| Hazardous Substance | \$2,000,000 |
| Data Restoration | \$250,000 |
| Perishable Goods | \$2,000,000 |
| Expediting Expense | \$2,000,000 |
| Demolition | \$2,000,000 |
| Ordinance or Law | \$2,000,000 |
| Off Premises Property Damage | \$250,000 |
| Contingent Rental Value/Rental Expense | \$250,000 |
| Newly Acquired Locations | \$1,000,000 / 365 Days Max |
| Extended Period of Restoration | 30 Days |

***This represents only a brief summary of coverages. Please refer to CIS Equipment Breakdown Coverage Agreement for detailed coverages, exclusions, and conditions that may apply.**

Locations Covered: Per current CIS Property Schedule.
Deductible: \$10,000 All Coverages: 24 hour waiting period applies for service interruption.
Contribution: Included
Forms Applicable: CIS Equipment Breakdown Coverage Agreement - CIS BM (7/1/2023)

To effect coverage, please sign, date and return this form before requested effective date. Fax or email is acceptable

Accepted by: _____
 Authorized Representative / Agent

Date: _____

Excess Crime Coverage Proposal



citycounty insurance services
cisoregon.org

Proposal Date: 6/2/2023

Coverage Period: 7/1/2023 to 7/1/2024

Named Member
City of The Dalles
313 Court St.
The Dalles, OR 97058

Agent of Record
Stratton Insurance
318 W 2nd St
The Dalles, OR 97058

This Proposal Does Not Bind Coverage

Refer to Coverage Forms for terms, conditions, and limitations of coverage

Excess Crime Coverage

Coverage Limits excess of \$50,000 crime coverage provided under the CIS Property Coverage Agreement:*

| | |
|--|------------------------------|
| Employee Theft - Per Loss Coverage | \$250,000 |
| Forgery or Alteration | Included |
| Inside Premises - Theft of Money & Securities | Included |
| Inside Premises - Robbery, Safe Burglary - Other | Included |
| Outside Premises | Included |
| Computer Fraud | Included |
| Money Orders and Counterfeit Paper Currency | Included |
| Funds Transfer Fraud | Included |
| Impersonation Fraud Coverage | Maximum recovery** \$250,000 |

**Recovery subject to lower limit purchased by member if under \$250,000

Additional Coverages:

| | |
|------------------------------|----------|
| Faithful Performance of Duty | Included |
|------------------------------|----------|

*This represents only a brief summary of coverages. Please refer to the Excess Crime Policy for detailed coverages, exclusions, and conditions that may apply.

Locations Covered: Per current CIS Property Schedule.
Contribution: \$960.00
Forms Applicable: National Union Fire Insurance/Excess Crime Policy

To effect coverage, please sign, date and return this form before requested effective date. Fax or email is acceptable

Accepted by: _____
Authorized Representative / Agent

Date: _____

City of The Dalles

Premium estimate for Guaranteed Cost

Period: 07/01/2023 - 07/01/2024
Group: CIS

Policy: 488236
Plan: Version #1 (1)

Rating period: 07/01/2023 to 07/01/2024

Location 2: City of the Dalles

| Classification description | Class | Subject payroll | Rate | Premium |
|---|-------|-----------------------|------|---------------------|
| Street/Rd Const-Fnl | 5506 | \$593,469.00 | 4.29 | \$25,459.82 |
| Grad/Pve/Rep/Dr | | | | |
| Street or Road Construction-Subsurface Work & Drivers | 5507 | \$0.00 | 2.98 | \$0.00 |
| Marinas/Boathouses Oper-Inc-Dr | 6826 | \$0.00 | 3.83 | \$0.00 |
| Marinas-Inc Sls/Prts Dr-State Act | 6836 | \$0.00 | 3.0 | \$0.00 |
| Limousine Company & Drivers | 7382 | \$0.00 | 2.92 | \$0.00 |
| Waterworks Operation-Dr | 7520 | \$1,395,269.00 | 1.97 | \$27,486.80 |
| Sewage Disposal Plant Oper-Dr | 7580 | \$699,730.00 | 2.0 | \$13,994.60 |
| Police Officers & Dr | 7720 | \$2,621,905.00 | 2.3 | \$60,303.82 |
| Trapping-Forest Animals/Dr | 7720 | \$0.00 | 2.3 | \$0.00 |
| City/County-Veh/Equip Repr Shop-Dr | 8380 | \$143,166.00 | 1.87 | \$2,677.20 |
| Vol Plcmn @ 2400/Qtr Ea | 8411 | \$38,400.00 | 1.04 | \$399.36 |
| Field Representatives | 8742 | \$783,382.00 | 0.2 | \$1,566.76 |
| Office Clerical | 8810 | \$998,943.00 | 0.1 | \$998.94 |
| Library/Museum-Public-Prof Emp&Cler | 8810 | \$762,611.00 | 0.1 | \$762.61 |
| Vol Library Prof Emp & Cler | 8810 | \$0.00 | 0.1 | \$0.00 |
| Attorney & Cler/Messenger/Dr | 8820 | \$224,954.00 | 0.1 | \$224.95 |
| Dog Pounds-Incl Dog Catcher/Dr | 8831 | \$64,677.00 | 0.93 | \$601.50 |
| Buildings-Operation By Owner Or Lessee & Drivers | 9015 | \$135,579.00 | 2.54 | \$3,443.71 |
| Park NOC-All Employees & Dr | 9102 | \$0.00 | 2.74 | \$0.00 |
| Snow Removal-Streets/Roads-Dr | 9402 | \$0.00 | 4.03 | \$0.00 |
| Garbage/Ash/Refuse Collectn Dr | 9403 | \$0.00 | 4.45 | \$0.00 |
| Municipal/Twn/Cnty/State Emp-NOC | 9410 | \$1,025,488.00 | 1.21 | \$12,408.40 |
| Total manual premium | | \$9,487,573.00 | | \$150,328.47 |

| Description | Basis | Factor | Premium |
|---------------------------------------|--------------|--------|---------------------|
| EL Increased Limits premium (Part II) | \$150,328.47 | 1.004 | \$601.31 |
| Total subject premium | | | \$150,929.78 |

| Description | Basis | Factor | Premium |
|-------------------------------|--------------|--------|---------------------|
| Experience Rating | \$150,929.78 | 0.71 | -\$43,769.64 |
| Total modified premium | | | \$107,160.14 |

| Description | Basis | Factor | Premium |
|-------------------------------|--------------|--------|---------------------|
| OGSERP factor | \$107,160.14 | 0.97 | -\$3,214.80 |
| Pre-pay credit | \$103,945.34 | 0.97 | -\$3,118.36 |
| Total standard premium | | | \$100,826.98 |

| Description | Basis | Factor | Premium |
|-------------|-------|--------|---------|
|-------------|-------|--------|---------|

City of The Dalles

Premium estimate for Guaranteed Cost

Period: 07/01/2023 - 07/01/2024

Policy: 488236

Group: CIS

Plan: Version #1 (1)

| Description | Basis | Factor | Premium |
|-------------------------------------|----------------|--------|--------------------|
| Oregon Total Premium | | | \$100,826.98 |
| Premium Discount | \$100,826.98 | 0.1584 | -\$15,973.86 |
| USLH Expense Constant | \$100.00 | 1.0 | \$100.00 |
| Terrorism Premium | \$9,487,573.00 | 0.005 | \$474.38 |
| Catastrophe Premium | \$9,487,573.00 | 0.01 | \$948.76 |
| DCBS Assessment | \$85,969.81 | 1.098 | \$8,425.04 |
| Total premium and assessment | | | \$94,801.30 |

| Premium discount schedule | | |
|----------------------------------|----------|--------|
| First | \$5,000 | 0.00% |
| Next | \$10,000 | 10.50% |
| Next | \$35,000 | 16.50% |
| Over | \$50,000 | 18.00% |

The experience rating modifier is tentative.

Part Two coverage at limits of \$1,000,000/\$1,000,000/\$1,000,000

Policy Minimum Premium: \$500

Part Two Coverage Increased Limits Minimum Premium: \$120

Group discounts are subject to validation of the OGSERP factors by NCCI and final approval by the Department of Consumer Business Services.

Your policy premium is based on your current estimated premium and may be prorated for policies in effect for less than a full year or adjusted based on actual payroll by classification.

Terrorism Premium is in addition to Policy Minimum Premium.

Catastrophe Premium is in addition to Policy Minimum Premium.

DCBS Premium Assessment excludes Part Two Coverage.

Payroll Reporting Frequency: Annual

Policyholder Option to Reimburse SAIF Corporation for Medical Expenses (Nondisabling Claims Reimbursement Program): This policyholder has chosen to enroll in the Nondisabling Claims Reimbursement program with Quarterly claim evaluation.

The Oregon Group Supplemental Experience Rating (OGSERP) factor above is for: CIS