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No person shall be disorderly, abusive, or disruptive of the orderly conduct of the meeting. Microphones will be muted and webcams will be turned off for remote participants unless called upon to speak or during public comment period.

Persons shall not comment or testify without first receiving recognition from the presiding officer and stating their full name and city of residence.

During public hearings no person shall present irrelevant, immaterial, or repetitious testimony or evidence.

There shall be no audience demonstrations such as applause, cheering, display of signs, or other conduct disruptive of the meeting. If online participant(s) disrupt the meeting, the participant(s) microphone and webcam will be turned off. If disruption continues, the participant(s) will be removed from the meeting.

CITY COUNCIL PUBLIC HEARING & REGULAR MEETING

In-Person Meeting with Remote Access Available

Millersburg City Hall 4222 NE Old Salem Road, Millersburg OR 97321 February 13, 2024 @ 6:30 p.m.

Agenda

Remote access for the meeting is available. Instructions for joining the meeting can be found at <u>https://www.millersburgoregon.gov/citycouncil/page/city-council-public-hearing-regular-meeting-1</u>. If you do not have access to a phone or computer, or need additional support, please contact City Hall prior to 5:00 p.m. on Monday, February 13, 2024.

Meeting link to join via computer: https://aspenuc.accessionmeeting.com/j/11597014359 Phone number to join meeting: 503-212-9900 Meeting ID: 115 9701 4359

- A. CALL TO ORDER
- B. ROLL CALL
- C. PLEDGE OF ALLEGIANCE
- D. CHANGES AND ADDITIONS TO THE AGENDA
- E. CONSENT AGENDA
 - 1) Approval of January 9, 2024, City Council Regular Meeting Minutes Action: _____
- F. GUEST PRESENTATIONS
 - 1) Linn County Sheriff's Office Monthly Report
- G. PUBLIC HEARINGS
 - 1) Releasing Public Access Easement, Leasing Land, and Purchasing Easement Action:
- H. PUBLIC COMMENT

The public has the opportunity to address the Council during "Public Comment" while in the virtual meeting by virtually signaling by unmuting first, then those who call in will be acknowledged, or if the public prefers, may send written comments by email to <u>cityclerk@cityofmillersburg.org</u>. Please limit comments to one page and include your name and address. Emails received before 5:00 p.m. on the day of the meeting will be included and read into the record for comments by the Council.

I. COUNCIL MEMBER AND STAFF COMMENTS

- J. CITY MANAGER'S REPORT
 - 1) Project Updates
 - 2) Transition Parkway Design Update
- K. CITY ATTORNEY'S REPORT
- L. NEW BUSINESS
 - 1) Nutria Management Stormwater Facility Action:
 - 2) Event Committee Appointments Action:
- M. CLOSING COUNCIL COMMENT
- N. ADJOURNMENT

Upcoming Meetings & Events:

For a schedule of meetings and events, visit the City's website calendar at <u>https://www.cityofmillersburg.org/meetings</u>

The meeting is accessible to the disabled. If you have a disability that requires accommodation to attend or participate, please notify the Millersburg City Hall in advance by calling 458-233-6300.



CITY COUNCIL PUBLIC HEARING & REGULAR MEETING MINUTES

January 9, 2024 @ 6:30 p.m.

- A. CALL TO ORDER Meeting called to order by Mayor Cowan at 6:30 p.m.
- B. PLEDGE OF ALLEGIANCE
- C. ROLL CALL

Councilors Present: Mayor Scott Cowan, Councilors Dave Harms, Mike Hickam, Mark Raum and John Sullivan

- Staff Present: Kevin Kreitman, City Manager; Janelle Booth, Assistant City Manager/City Engineer; Matt Straite, Community Development Director; Alan Sorem, City Attorney; Sheena Dickerman, City Recorder
- D. CHANGES AND ADDITIONS TO THE AGENDA

E. CONSENT AGENDA

1) Approval of December 12, 2023, City Council Regular Meeting Minutes

Action: <u>Motion to adopt the Consent Agenda as posted</u>, <u>made by Councilor</u> John Sullivan; seconded by Councilor Mike Hickam.

Aye
Aye
Aye
Aye
Aye

F. GUEST PRESENTATIONS

1.) Linn County Sheriff's Office Monthly Report

Deputy Steven Frambes reviewed the LCSO report in the agenda packet*. He mentioned that arrests were almost as high as traffic citations issued. Seven of those were arrested on warrants after traffic stops. There was one arrest for third degree theft and two arrests for second degree thefts. The degree of theft is based on dollar amounts; under \$100, \$100 to \$1,000, and over \$1,000.

Frambes mentioned three crashes, two were at Love's. He talked about deputyinitiated activity, a traffic stop, that resulted in both people being arrested. He said crime was substantially lower than in November. Deputies didn't receive many calls for theft, especially in a month when packages are being delivered.

Mayor Scott Cowan commented on the higher hours. Frambes said the higher hours can be contributed to the arrests which take longer with reports and having them be sent to appropriate courts.

6:31 p.m.

6:30 p.m.

6:30 p.m.

Councilor Dave Harms asked if it was documented how much activity is at Love's. He pointed out that almost every other call was at Love's. Deputy Devin Ross said that if it is at that address it is documented but he doesn't think they have a report specifically for Love's. He said that they do business checks and any time they drive through they make their presence known. Manager Kevin Kreitman mentioned that every time a deputy goes to that location, they are documenting. Ross said that it doesn't always get documented, but deputies do try and make a point to do it. Deputies go to Love's a couple hundred times within a year.

Frambes said he hopes to do a comparison of all LCSO's contracted cities and show how Millersburg compares, next month.

Councilor Mark Raum asked if deputies had seen a difference in traffic patterns near Love's. Ross said when the new traffic sign was put in there was some activity, but people appreciated that it was slower. Councilor Mike Hickam commented that a lot of people already went slow through that area. Ross said truck drivers have made a point to let him know that they appreciate it as cars would go fast through there.

Hickam mentioned a sign about passing in the center lane. Ross said he had stopped two cars for that today.

2.) <u>Albany Fire Department Report</u>

Chief Shane Wooten reviewed the AFD report in the agenda packet*. He said the call volume was down in December. There was a total of 260 responses over the fiscal year. The response times remain the same, 7 minutes and 28 seconds is the average.

Wooten thanked Millersburg for their donations to the 2023 Toy Drive.

Wooten mentioned the restart up of the single-role EMT program. He showed the five new single-role program trainees that had gone through a four-week academy. Each one is assigned a field training officer, to show that they are capable and competent on their own. The single-role EMT will help during peak activity to have additional staffing available.

Wooten went through promotions and transitions that will be taking place. He will be retiring June 30, 2024, and Chris LaBelle will be his replacement. He said it is important for their department to have good succession planning and will be implemented over the next six months. He gave a brief background on Chris LaBelle. He said that the work invested in their staff is paying dividends right now.

Wooten shared a fire incident in north Albany showing what Millersburg's firefighters will do and the risk they put themselves into. He described the situation. Two firefighters dove through the window to rescue a man. In a regular housefire a person can only see a few inches. The firefighters asked the rest of the crew to make a door to assist in getting the person out. Once the person was out, they

resuscitated him. He stated he was proud of the crews, the training Chief (Cowan) and their mission is "Risk a lot to save a lot". He said this is a once in a career situation but something they have been training for a long time for. He emphasized that these are the same staff serving Millersburg residents.

Hickam asked about the response times, they seemed high. He asked if the time could be brought down. Wooten replied that those are all call response time averages, such as a non-emergency response to Simpson Park, which is one of the longer response areas for Millersburg. The times are comparable to Albany. It is the total time from the moment dispatch picks up the phone, dispatches the information, routes the call, turnout time until the crew arrives on scene. Cowan explained that if a person calls 911 from Millersburg, the dispatcher is in Marion County and will take the information and then it is transferred to Linn County. This is something AFD cannot change. He said it used to be approximately two minutes to transfer, he does not know if that has improved. Wooten said it is the same for North Albany calls coming in from Benton County. Kreitman said it was actually the opposite in Millersburg. He said when Jefferson covered Millersburg, calls would go from Millersburg to Linn County and Linn County would have to transfer the call to Marion County for the dispatch of Jefferson units. Millersburg's calls go directly to Linn County. He reminded everyone that when Millersburg was contracted with Jefferson the response times were 15 to 20 minutes.

G. PUBLIC HEARING

6:53 p.m.

FILE No.: DC 23-02 - This Development Code Text Amendment proposes to make 34 revisions to the existing Development Code.

Mayor Scott Cowan opened the public hearing at 6:54 p.m.

City Recorder Sheena Dickerman read the disclosure statement.

Community Development Director Matt Straite presented on DC 23-02. He said that throughout the year staff continually keep a running list of the Development Code what works, what does not, and what needs to be changed. The changes are broken into two categories: Climate Friendly and Equitable Communities (CFEC) and general text. The CFEC is what the State is requiring cities to do limit greenhouse gases. Many of the changes kick in when the City reaches a population of 5,000, but some of the changes impact all cities.

Straite started with the CFEC changes. He made it clear that all of these changes are required by the State and none of them were embellished upon but one. The State requires all cities to do three things; remove all parking mandates, add some parking regulations, and add capacity for vehicle chargers to be added some day.

Straite explained that all the changes to the code have been provided to Council and the public, in a table. He explained the parking mandates, the City's Code requires so many parking spaces for a certain kind of use. The State is requiring the City to remove them. The State believes if there are less parking spaces, less people will drive and greenhouse gases will go down. Most of the changes were in Table 14, and staff is proposing to remove it. This does not mean that people aren't allowed to build parking. Staff is not concerned with impacts for removing the parking table, as businesses will put in the parking that they feel they need. If someone decides to build parking, they will still be required to build by City standards; how wide, how deep, and landscaping.

Straite said the next three changes the State wanted cities to do were parking standards. The State is requiring that 50 percent of all parking lots have shade from trees. The City required something similar, but this is more specific. Next, the State is mandating carpool and vanpool preferred parking spaces, for new businesses. The last is the State is requiring the City to allow redevelopment of existing parking lots specifically for bus stops and bike parking. He had tried to leave bus stops off, since Millersburg does not have buses but the State asked him to put it in anyway.

Straite said that any time the City changes its Code it has to be sent to the State's Planning Department called Department of Land Development and Conservation (DLCD). The DLCD reviews it and makes sure it complies. The DLCD sent an informal email that praised the City for the work done, they did have some suggested edits. Staff made most of the edits and these are included in the current version of the staff report. He said there was one place where they requested a change, but it was not required by State law, that change was not made. Staff gave them an explanation, included in the memo*.

Straite shared that the State wants the City to allow people to remove parking lots and not have any provisions for it. Staff said that removing parking lots is allowed, but they must come to the City and do a study that shows how it will impact the surrounding area. The City will have a right to deny if it shows impact on the surrounding community. This still complies with all the State rules.

Straite moved to the changes that staff identified. For the definition section, Day Care, someone called and asked if they could set up a day care in a vacant house without occupants. Staff thought residential should be residential first and occupying businesses second. Staff clarified that someone has to live in the house, but they do not have to be the homeowner.

Straite said that for Accessory Dwelling Units (ADU) duplexes are allowed to have an ADU. This is a State required clean-up that was missed the first time.

Straite pointed out that 21 in the table, Land Use Expires, has been removed from the update. In 22, Land Division, the sections for subdivisions were made for residential and didn't include commercial/industrial. Staff went through and identified what was required with residential or commercial/industrial or both. Staff also added a new section that included if someone wanted to buy one building of a commercial center. He used the example if a Carl's Jr. and a Safeway wanted to own their own "dirt" but whoever owns the shopping center would own the parking lot and they would all share the parking.

Straite said staff is requesting to increase the maximum size of Accessory Dwelling Units (ADUs). When the City first adopted the rules it was forced to do it by the State. The City had concerns about the possible impacts and made the decision to make the units as small as possible, 650 square foot maximum size. It's one of the smallest in the area. Staff has not seen many requests for ADUs but has heard complaints that 650 square foot is too small and is curtailing those that want to build an ADU. In the new Housing element of the Comprehensive Plan it says ADUs will be revisited. Staff looked at how the City compared to the area*. He said the minimum size would not change, but it would include a sliding scale. It is the same language that is found in the Accessory Structure section. Anyone with a lot over 13,500 square feet can automatically have a maximum ADU of 900 square feet.

Straite said new text has been added to clarify the relationship of ADUs and detached garages. A detached garage is an accessory structure. An Accessory Dwelling Unit is a dwelling unit and those rules apply to it. If an ADU is attached to a garage, then accessory structures rules apply to the garage and the ADU rules to the ADU. He added that the Planning Commission agreed with the concept but thought the paragraph was confusing, so staff revised it and the new version was in the Council agenda packet. Staff wanted to further revise it and it was presented in the presentation*. He read the new version to the Council and highlighted that a garage may be constructed with an ADU but it is not required. The garage can be attached or detached from the ADU. The garage does not count towards the square footage of the ADU. The garage's square footage would count toward the accessory structure square footage that is allowed. He said that (b) was not new code language.

Straite said the next change was to change "chicken" to "fowl". Also, the Code didn't address exotic animals before, and no exotic animals are permitted. He said no pigs are allowed, not even "teacups" for pets.

Straite said developers usually select street names, but staff has added language that the City Manager can veto names that would not work. He showed an example of Middle Street and Middle Road crossing each other and it would be confusing.

Staff is proposing a small change to the Commercial Design Standards, it has said there must be architectural features on all sides of the building. Some walls cannot be seen by the public and it has been changed that if the wall cannot be seen from the public, it is not required to have architectural features.

Straite said when the Code was redone, approximately four years ago, the City created a Historic Zoning Overly section to comply with the State's Goal 5. Staff didn't think it would be used and didn't look at it very closely. Recently a permit was submitted, and staff realized this section needed to be completely updated. Staff changed Historic Committee to a Historic Commission because they are making land use decisions. Notice requirements have been assigned. Special timing requirements have been removed. A path for an appeal process has been added and case types have been added to the major categories.

Straite mentioned that the Code addressed "Street Trees", but it wasn't clear where and when they were required. Staff clarified that street trees are required and pointed out that the spacing distance requirements are found in the Engineering Standards. For manufactured homes the Code didn't have requirements for skirting (covering the foundation), it was implied but the update clarifies it.

Straite said that staff have received a lot of complaints regarding RV covers. There were PC workshops regarding possible changes to fix it. These changes reflect the direction of the PC. There is a new section of standards for RV covers. The 200 square foot still applies; if building something under 200 square feet, no building permit is required. He said the biggest change is saying that metal RV covers are allowed. He mentioned that the City Council in the past had prohibited metal covers because they thought metal covers could bring the City down aesthetically. The Code said that RV covers had to match the house, which meant wood covers and wood covers are expensive.

Staff have clarified the setbacks for RV covers, starting at the roofline. Staff didn't want the roofline to be so large that it was dropping drainage onto a neighbor's yard. There is no setback between the cover and the house. The colors must be earth tone or match the main or trim color of the house. There is a 20-foot-height limit or if it can be more than 20 feet away from the property line, someone can go as high as the zone will allow.

Straite said flag lots were creating some confusion. Someone was trying to figure out where the front setback is. Staff have added an allowance that the Community Development Director can choose what is front, back or side, on a case-by-case basis, which is usually done in conjunction with the applicant.

Straite explained that there were figures in the code that were misleading, he showed what was current and what was proposed*. He went through the examples and showed how the new figures were clearer. He did reach out to the artist, and he was fine with the changes to the artwork.

Straite said the State has made a mandated change that cities can't outlaw single room occupancies (SRO). A SRO is someone who owns a house and rents out every room to somebody, with communionally shared bathrooms and kitchens. The State says it becomes a SRO when four or more bedrooms are for rent. Millersburg did not have anything in the Code that wouldn't allow someone to do this. It has been added to the definition section and every residential section as a permitted use.

Straite explained that the Code had only required clear vision areas for residential. This Code update includes industrial areas. Also, added flexibility for the City Engineer, on a case-by-case basis by site, to require more of a site distance or less depending on site-specific circumstances.

The last change is correcting an error on Table 9 that said the trail was on the east side but should have been on the west side.

The staff report went through the criteria in depth. The proposed edits meet all the City's requirements, State Goals, Oregon Administrative Rules (OAR) and Oregon Revised Statutes (ORS).

Straite passed out a memo of emails from citizens and DLCD*.

Assistant City Manager Janelle Booth explained that for manufactured homes skirting was already addressed but the update is addressing only one manufactured home and one ADU is allowed per lot and that the roof pitch was changed from 4 and 12 to 3 and 12 to be more consistent with other standards.

No one spoke in favor or in opposition.

Hickam said he was good with most of the changes, but he emphasized he did not like the mandates of street trees.

Mayor Scott Cowan closed the public hearing at 7:31 p.m.

Hickam reiterated that he didn't like street trees being mandated. He mentioned issues with overgrown trees and tree roots coming up through sidewalks. Straite explained that there were two sections for trees. The parking lot trees are mandated by the State but street trees were not mandated by the State. Booth clarified that the street trees are required and the change to the Code language was, "pursuant to City Engineering standards". The Engineering Standards have setback from utilities and tree type requirements. The requirement for trees is in the Development Code. Kreitman explained that trees have been in the Development Code since before the major update, the one change is that there were no standards on the type of trees that were put in, in some of the older neighborhoods the appropriate trees were not put in. Engineering Standards address the specific width and style to avoid some of the issues.

Councilor Raum asked if someone removed one of the older trees if they are required to replace it. Booth replied the City has a tree permit and the person would not necessarily have to replace it, it would depend on the space available. If near utilities then no, but in most circumstances, it would need to be replaced. Straite said that the Code does say that all single-family homes must have one street tree in landscape planter and a second one in the yard. That requirement is not for commercial or industrial developments.

Hickam asked who was responsible if tree roots damage a sidewalk. Booth replied the homeowner. Hickam said that "you" are mandating the tree, and he is not a fan of the planting strip. He believes that it is backwards to mandate a planter in residential but in high speed areas the sidewalk is right up to the street. Booth said the current design standards for development do have the standards and have the sidewalk separated. The City has a lot of existing situations as Hickam described. Straite said that the State is requiring heavily to have trees on or near sidewalks because they believe people are not walking because it is too hot.

Cowan acknowledged that it could be a problem and for Council to look at how to address it. Councilors mentioned other concerns with trees in the planters.

Booth said adopting a list of trees of approved trees will help. There are a lot of situations where roots are impacting curbs, sidewalks, and it is not the right tree in the right area, these trees that are impacting are over 20 years old. She said whether to have trees or not could be a discussion in the future.

Action: <u>Motion to approve DC 23-02 and adopt Ordinance 210-24 was made</u> by Councilor Mark Raum; seconded by Councilor John Sullivan.

Mayor Scott Cowar Councilor Dave Har Councilor Mike Hick Councilor Mark Ray Councilor John Sulli Motion PASSED: 5/0	rms: Aye kam: Aye um: Aye	
H. PUBLIC COMMENT None		7:39 p.m.

I. COUNCIL MEMBER AND STAFF COMMENTS

7:39 p.m.

1) Committee Assignments –

Cowan pointed out the previous appointments, in presentation*. He went through the list by section and checked with the Councilors to see if they wanted to stay on those committee appointments.

For the Albany Area Metropolitan Planning Organization (AAMPO) assignment Hickam replaced Sullivan.

Booth explained that nominations for Cascade West Area Commission on Transportation (CWACT,) for three different positions, is required; full commission primary, full commission alternate and technical assistance committee representative. These positions must be elected. Councilor John Sullivan said the meetings were mostly remote.

Action: <u>Motion to nominate Mike Hickam to be point for CWACT primary was</u> made by Mayor Scott Cowan; seconded by Councilor Mark Raum.

Aye
Aye
Aye
Aye
Aye

Action: <u>Motion to nominate John Sullivan to be primary alternate for CWACT</u> was made by Mayor Scott Cowan; seconded by Councilor Mark Raum.

Mayor Scott Cowan:	Aye
Councilor Dave Harms:	Aye

Councilor Mike Hickam:	Aye
Councilor Mark Raum:	Aye
Councilor John Sullivan:	Aye
Motion PASSED: 5/0	

Action: <u>Motion to nominate Janelle Booth as TAC was made by Councilor Mike</u> Hickam; seconded by Mayor Scott Cowan.

Mayor Scott Cowan:	Aye
Councilor Dave Harms:	Aye
Councilor Mike Hickam:	Aye
Councilor Mark Raum:	Aye
Councilor John Sullivan:	Aye
Motion PASSED: 5/0	

J. CITY MANAGER'S REPORT

7:44 p.m.

1) Project Updates

Straite shared that the PC approved the concept plan on January 2, 2024, for the preferred alternative for North Millersburg Park. Staff is investigating grant opportunities for construction documents.

Booth said the seismic value replacement at the water treatment plant was rescheduled for January 24, 2024, because the Vine Street Plant was down due to the high sediment levels. Kreitman explained that the Vine Street Plant is older and isn't able to deal with the higher turbidity.

Kreitman said there is a coalition that was spearheaded by Representative Cate that represents southern Linn County. The Coalition has sent a couple of letters. In the packet is a letter that Governor Kotek wrote to the District Engineer for Program and Project Management of Army Corp of Engineers to reconsider the drawdown and what has taken place. The Coalition had asked if the City would be a signer of the new letter to the Governor. He had a discussion with the Mayor and the City logo was added. One of the things they wanted to point out is that this is one of the hazards of unintended consequences. He said one of the strong supporters of the Green Peter drawdown was Oregon Department of Fish and Wildlife. The coalition wants the Governor to know that the Corp was not in favor of the drawdown and had brought up a lot of concerns. The letter included additional estimates of the cost for the agencies, if this should continue; Albany, Lebanon, Sweet Home and Lowell are impacted. It would be approximately 37 million dollars to update facilities to deal with it.

Kreitman gave an update on Kinder Morgan. He went through why the progress had slowed. He said that they expect to be done by the end of February.

Straite mentioned that the tops of the flag poles had been redone.

Straite said that part of the State's CFEC plan has triggered a lot that needs to happen with everyone's Transportation System Plans (TSP). The State has put everyone on schedule for when it is required to be done. Millersburg will be done at the same time as Albany. Staff has a meeting with the State to talk about grant funding opportunities. The City was due for a TSP update anyway and now it will be with the State's funding. It will have to be CFEC compliant, that will mean stronger emphasis on pedestrian and bike uses and not only cars.

2) Transition Parkway Design Update

Booth said a cultural resources study was done as part of the wetland permitting process. They found one resource that needs more investigation in one of the staging areas. This does not affect the Transition Parkway project. She said the City just needs to stay away from it, which will be easy to do. It is part of the western end of the City's property, part of the property the City is marketing. There is a recommendation to do the investigation now. The consultant gave a quote of \$8,000. This does not require Council approval. Staff wanted to let the Council know because it is something that needs to be dealt with before someone develops the property. She said they found an octagon concrete foundation, most likely from a silo, and most likely does not need to be preserved but there is a process that needs to take place. Kreitman added that it was better to get the process done now than to wait.

Booth said the hope is to have bid documents stamped by the end of February and looking at going out for bidding in March or April.

Kreitman mentioned that the City is live on .gov. The City's website is <u>www.MillersburgOregon.gov</u>. If people use the old one it will still go to it. City's staff have moved over to the new email addresses firstname.last<u>name@MillersburgOregon.gov</u>. Booth added that the old email address will work, it will forward to the .gov.

Kreitman said that the Arauco President and Vice President want to meet with staff regarding some significant modernization improvements.

Kreitman said there is a new hire in the front office, Joanne Johnson. This is her second week. Cowan added that she is a Millersburg resident.

K. CITY ATTORNEY'S REPORT

7:58 p.m.

1) Open Public Meetings & Records Review

City Attorney Alan Sorem said there was a one-page document in the packet that summarized the standards for public meetings. He stated that besides public meetings that have been properly noticed, for Councilors to not talk about Council business when there is a quorum. A quorum is a majority and for Millersburg that is three Councilors or more. He recommended that City Councilors not discuss City business with other Councilors unless it is in a public meeting and/or they have consulted with him. He mentioned that there are cases where local jurisdictions have been challenged for something called serial meetings. Serial meetings are when one Councilor talks to another Councilor who then talks to another Councilor, on down the line. The City wants to avoid any malfeasance or not following the rules. Sorem reiterated that the simplest thing to do is not discuss Council business except on days of scheduled meetings and if Councilors had questions to contact him.

Sorem stated that if Councilors have written communication discussing Council business by text or email, that it becomes public record. Any public record must be maintained for five years. He stated that if they have text messages regarding City business, they need to port over the messages to the City Recorder for recordkeeping. He said if they don't text, then they don't need to submit them for the record. He reiterated that the simplest way is to reserve Council business for public work sessions. Staff is always willing to schedule those as special meetings, but usually there is a light agenda and Council matters can be handled during the regular public meeting.

Hickam asked to clarify the number for a quorum. Sorem replied a quorum is 3 and it is regarding City business, personal matters do not matter.

L. UNFINISHED BUSINESS

8:01 p.m.

1) Republic Services Rate Increase Request

Julie Jackson, Republic Services, said she appreciated the Council moving this request to the January meeting. She introduced Bret Davis the General Manager for the business unit and a resident of Millersburg. They were there for two reasons; one to resolve the one percent rate issue and the other to give an update on the conversation from November regarding the challenges Council had presented.

Jackson reported that the franchise termination deadline has been extended from December 1, 2023, an amendment was approved and agreed upon, to June 1, 2024. The next step is a meeting with Davis and Republic Services operations team to see how Republic is operating in Millersburg and how to resolve issues.

Jackson said that Republic Services has 30 employees for the local Oregon pod for customer service. In 2022, Republic Services received 61,000 calls to that pod and in 2023 there were 49,000 calls. She said fewer calls is good, fewer people are having issues. The service level, handling it with a one call resolution, in 2022 was 37 percent and in 2023 was 78.7 percent. She said they are seeing a lot of improvement.

Jackson said they looked at what calls came in for Millersburg for 2023. They discovered there were 21 calls; 6 were compliments and one complaint was duplicated three times. The common complaints were yard debris carts being missed. She said that Republic Services picks up one half of Millersburg one week and the other half the other week. They looked into those calls and a lot of them were that the customer had the wrong week.

Jackson asked that prior to or at the work session if they could get a list of things that Council would like looked into. She acknowledged that there were some updates to the franchise documents that needed to change.

Cowan thanked Jackson for the information. He asked Council to share what they were hearing, seeing, or needing to address. He shared that he had an issue with pick up but then resolved it by putting his cart out a day earlier. Jackson said that she has been sharing with staff that Republic Services needs to say exactly what they are doing and examine how it is being said. She said they pick up on holidays and people don't seem to know that. Raum said that he was sent a text message and received a phone call. Cowan shared he had gone onto Republic Services website and it was clear that they picked up on holidays.

Cowan asked if there needed to be a work session and what would that look like. Raum replied there needs to be a resolution regarding yard carts, leaf debris, trees are mandated and don't have street sweeping for the leaves, damaged or broken carts and being assessed when it's not the resident's responsibility.

Davis shared that Republic Services has a huge leaf service program with the City of Corvallis and with the City of Dallas. In Dallas, the program is where Republic Services drives around two weekends a month and picks up leaves along the curb. Dallas also allows people to drop off leaves at a couple of city locations, up until January 1. He shared that the City of Corvallis asks Republic Services to drive the bike paths and specific lanes for a 10-week period to make sure the bicyclists are safe from the landscapers that are blowing leaves on the path. He stated that there are a lot of options that Republic Services could do.

Jackson said they have asked the financial team what weekly yard debris would cost in Millersburg. Republic Services is motivated to make it work for the City. She shared that "misses" count against the drivers, and drivers don't like that. They are working on a lot of ideas. She said stormwater wise, it is better to put leaves in a cart than on the street.

Councilor John Sullivan said he would like to see the rate increase request process smoother and suggested a 2-year escalator and identify the escalation and if on the third year there needs to be an adjustment, it can be done. Davis replied that cities have come together and agreed on an index that is the industry standard.

Sorem gave some context that under the current franchise agreement Councilors have had questions regarding what to say or do. The franchise agreement says that the rate changes have to be approved by Council. He said that Councilor Sullivan's request to modernize the agreement is a policy level decision but when trying to make a decision under the terms of the existing agreement, having it framed or within the scope of the question might be more helpful for Council in the short term. Kreitman said one of the challenges is the franchise agreement is old. He said he found a document with Albany, Millersburg, Tangent and Lebanon that agreed to the indexes use for the rate increase calculation. Jackson said that was done in 2013. Kreitman said that the franchise has been a rolling document and that had never been codified. He said it should be brought up to date in order for it to be clear.

Hickam said he would be open to a two year with an escalator. He said he was willing for it to be able to be brought back if there is an off year. He asked Republic Services to bring the rate increase to an earlier Council meeting. Jackson agreed that there could be a timeline within the franchise. Kreitman said that the information was received earlier but due to scheduling conflicts it was not presented to Council earlier.

Sullivan said it would be healthy to have all Council be at the worksession. Kreitman said he had talked to Jackson about doing it during the normal worksession time, January 23, 2024, at 4 p.m. Raum said he would be in Bend. He will remote in.

Hickam asked Jackson to bring numbers for weekly yard debris. Cowan agreed and asked for some reconstruction of the language. Jackson suggested that at the worksession that she would come back with the information for weekly pickup and then work with Kreitman and Sorem, with maybe a Councilor or two, on the contract language.

Kreitman asked about food waste pick up and looking at the average garbage size here in Millersburg. He asked if people took advantage of food waste pick up would they need to have the same size garbage can. Jackson said the state estimates that people put in 20 to 30 percent food waste in garbage cans. Hickam agreed. Jackson said a possibility is yard debris pick up increasing but the garbage cart is downsized with maybe a \$5 decrease in cost. Republic Services will only do it with weekly yard debris. Sullivan asked about getting a rate for a 65-gallon cart. Jackson replied the City has a rate. Cowan asked for the rate information to be sent out electronically to Council. Sullivan pointed out that it says the 65-gallon cart was unavailable. Jackson said it was an error and should have been corrected. Davis said Republic Services is open to changes. He mentioned being able to take a 35-gallon and adding an insert to turn it into a 20-gallon cart. If someone is willing to recycle, they can go to one 20gallon cart that can hold a 15-gallon bag. Jackson said that in 2025 there will be more plastics being able to be recycled. Davis said that there will be depots where people can take Styrofoam.

Hickam said it was helpful to have phone calls and text messages regarding services, because he would never have thought pick up was on Christmas day. Cowan asked if containers were damaged if it was free to be replaced. Jackson affirmed, saying unless it was something like fireworks being put in a cart. She explained that drivers try and repair carts. Davis said drivers are told to call them in and be proactive.

Jackson said it would be effective February 1.

Action: <u>Motion to adopt Resolution 2024-01 made by Councilor John Sullivan;</u> <u>seconded by Councilor Mike Hickam.</u>

Mayor Scott Cowan:	Ауе
Councilor Dave Harms:	Aye
Councilor Mike Hickam:	Aye
Councilor Mark Raum:	Aye
Councilor John Sullivan:	Aye
Passed 5/0	

Cowan clarified the Resolution goes into effect today, but the price is effective February 1, 2024.

- M. NEW BUSINESS
 - 1) Budget Committee Appointment

Action: <u>Motion for the Council to appoint Kevin Hacksted to the Budget</u> <u>Committee made by Mayor Cowan; seconded by Councilor Mark Raum.</u>

Mayor Scott Cowan:	Aye
Councilor Dave Harms:	Aye
Councilor Mike Hickam:	Aye
Councilor Mark Raum:	Aye
Councilor John Sullivan:	Aye
Passed 5/0	

- N. CLOSING COUNCIL COMMENT None
- O. ADJOURNMENT Mayor Cowan adjourned the regular meeting at 8:32 p.m.

Respectfully submitted:

Reviewed by:

Sheena Dickerman City Recorder Kevin Kreitman City Manager

*Presentation materials or documents discussed at the meeting that are not in the agenda packet are archived in the record. Documents from staff are posted to the website after the meeting. Documents submitted by the public are available by emailing info@cityofmillersburg.org.

8:31 p.m.

8:32 p.m.



LINN COUNTY SHERIFF'S OFFICE

Michelle Duncan, Sheriff

1115 S.E. Jackson Street, Albany, OR 97322 Albany, OR. 97322 Phone: 541-967-3950 www.linnsheriff.org

2024

MONTHLY REPORT TO THE CITY OF MILLERSBURG FROM THE LINN COUNTY SHERIFF'S OFFICE

FOR THE MONTH OF:

JANUARY

TRAFFIC CITATIONS:	10
TRAFFIC WARNINGS:	15
TRAFFIC CRASHES:	9
ARRESTS MADE:	7
COMPLAINTS/INCIDENTS INVESTIGATED:	131

TOTAL HOURS SPENT:

MILLERSBURG 201.75 hours

CONTRACT HOURS= 153 HOURS

Michelle Duncan, Sheriff, Linn County

By: Sgt. Steven Frambes



TO: Millersburg City Council

FROM: Kevin Kreitman, City Manager

- DATE: February 7, 2024, for the February 13,2024, City Council Meeting
- SUBJECT: Restated Purchase and Sale Agreement with Willamette Valley Land, LLC for the purchase of property to provide access to City owned Industrial Lands west of the Burlington Northern and Portland and Western Railroad Tracks.

<u>Action Requested</u>: Approval of the proposed restated purchase and sales agreement (PSA) with Willamette Valley Land, LLC for 1.64 acres of property.

<u>Discussion</u>: On September 14, 2022, the City signed a PSA with Willamette Valley Land, LLC for the purchase of 5.44 acres of land to provide access to City owned land south of the property proposed with the UGB swap. With the denial of the UGB swap the City was required to renegotiate the purchase of a 1.64 acre easement and future right-of-way interest from Willamette Valley Land, LLC to provide access to City owned industrial zoned property which is currently landlocked.

The restated PSA includes the release of a 25-foot easement along the western property boundary of the land owned by Willamette Valley Land, LLC. This easement was previously obtained to provide access to the Willamette River for potential construction of a water intake for a water treatment facility. The easement and right-of-way interest in the restated PSA will secure access to 7.81 acres of land 100 feet in width currently owned by the City, which provides access to the river and a conveyance route should a water intake on the Willamette River be needed in the future.

The PSA also includes the provision for the lease of approximately 4.81 acres of City owned property that the City became aware Willamette Valley Land, LLC is currently occupying. The PSA includes a price credit to offset Willamette Valley Land, LLC's prior possession.

Budget Impact:

Funding for this project was originally planned as expenditure of Street SDC funds. Given the UGB denial and that access will not be within the city limits this is no longer eligible for SDC funding. The total purchase price is \$124,826.80 and is offset with payment of back rent of City owned property for \$12,960, for a purchase price of \$111,866.800, in addition the application of \$10,000 in earnest money currently in escrow associated with the previously signed PSA will be credited to the purchase price.

The total budget expenditure will be \$101,866.80 and potentially eligible for reimbursement under the RSIS program. The funding will be from our Economic Development Fund and may require a budget amendment at a later date. As stated in the PSA, the City will receive an additional \$1,400 annually for the use of the 4.81 acres of City owned land, while occupied by Willamette Valley Land, LLC.

Recommendation:

Staff recommends Council approve the restated purchase and sale agreement for 1.64 acres of land, from Willamette Valley Land, LLC; and authorize the City Manager or designee to sign all documents on behalf of the City of Millersburg as required for the execution of the PSA.

<u>Attachment(s)</u>:

Public Notice – Hearing for the release of the 25-foot easement Resolution Authorizing Purchase of 1.64 acres Restated Purchase and Sale Agreement

Notice of Releasing Public Access Easement That is No Longer Needed, Leasing Land That is Not Needed, and Purchasing Easement for Public Purpose That is Needed and Public Hearing Concerning Such Sale

Pursuant to ORS 221.725, notice is hereby given regarding a public hearing occurring Tuesday, February 13, 2023, 6:30 PM, at the Millersburg City Hall, Millersburg, Oregon. The purpose of the public hearing concerns the City of Millersburg releasing a public access easement that is no longer needed and the purchase of an easement interest in a 1.64-acre portion of a tract of land located on a portion of real property designated by the Linn County Assessor as Tax Lot 106 on Tax Map 10S-03W-29 and Tax Lot 402 on Tax Map 10S-03W-20, respectively, Linn County, Oregon, for public purposes. The City is also proposing to lease land that is not needed located on Tax Lot 206 of Tax Map 10S-03W-29.

Tax Lot 106 is zoned General Industrial (GI) and is owned by Willamette Valley Land, LLC, an Oregon limited liability company. Tax Lot 402 is zoned Exclusive Farm Use (EFU) and is owned by Willamette Valley Land, LLC, an Oregon limited liability company. Tax Lot 206 is zoned GI in part and EFU in part and is owned by the City of Millersburg.

The Millersburg City Council considers these real estate transactions convenient, necessary, and beneficial to the local and regional residents. City staff indicates the purchase price, together with additional consideration related to the release of the easement, lease of land, and other terms, is well justified considering the benefits to the City, its residents, and the local and regional economy.

RESOLUTION 2024-02

A RESOLUTION APPROVING THE RESTATED PURCHASE AND SALE AGREEMENT FOR REAL PROPERTY BETWEEN WILLAMETTE VALLEY LAND, LLC, AND THE CITY OF MILLERSBURG, OREGON, TOGETHER WITH RELATED RELEASE OF EASEMENT AND LEASE OF LAND AND APPROVING THE CITY MANAGER TO ENTER INTO THE AGREEMENT AND SIGN ALL APPROPRIATE DOCUMENTS ON BEHALF OF THE CITY OF MILLERSBURG, OREGON

WHEREAS, the City of Millersburg (City) owns land south of Conser Road and west of the railroad tracks; and,

WHEREAS, an easement allowing access to this City-owned land and adjacent privately-owned land will benefit the City, its residents, and adjoining landowners; and,

WHEREAS, Willamette Valley Land, LLC, (Seller) owns real property in a location necessary to provide access to the City's existing lands south of the easement area; and,

WHEREAS, the City has negotiated the purchase from Seller of an easement over approximately 1.64 acres of real property designated by the Linn County Assessor as Tax Lot 106 on Tax Map 10S-03W-29 and Tax Lot 402 on Tax Map 10S-03W-20, respectively, located in the county of Linn, state of Oregon, for the total purchase price of \$111,866.80;

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MILLERSBURG, OREGON, THAT:

The City of Millersburg approves the purchase and sale agreement for the easement between Willamette Valley Land, LLC, and the City of Millersburg, Oregon; and,

FURTHERMORE, approves the release of a 25' wide public easement along the western edge of Tax Lot 402 of Tax Map 10S-03W-20 and Tax Lot 101 of Tax Map 10S-03W-29 that is no longer needed; and,

FURTHERMORE, approves lease of land that is not currently required by the City on Tax Lot 206 of Tax Map 10S-03S-29; and,

FURTHERMORE, approves the Millersburg City Manager or designee to enter into the purchase and sale agreement and sign all appropriate documents on behalf of the City of Millersburg, Oregon.

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ADOPTED BY THE CITY COUNCIL AND EFFECTIVE THIS 13rd DAY OF FEBRUARY, 2024.

Scott Cowan, Mayor

ATTEST:

Sheena Dickerman, City Recorder

RESTATED PURCHASE AND SALE AGREEMENT

- Seller: Willamette Valley Land, LLC, an Oregon limited liability company Attn: Paul Kuehne PO Box 99 Lafayette, Oregon 97127
- Buyer: The City of Millersburg, an Oregon non-profit municipal corporation Kevin Kreitman City Manager 4222 NE Old Salem Road Albany, Oregon 97321 Email: kkreitman@cityofmillersburg.org
- With Copy To: Alan Sorem Saalfeld Griggs PC PO Box 470 Salem, Oregon 97308 Facsimile: 503-371-2927 Email: asorem@sglaw.com

RECITALS:

- **A.** On September 14, 2022, Buyer and Seller entered into a sale agreement for the conditional sale and purchase of the property described below (herein the "*Original Sale Agreement*").
- B. Buyer and Seller were unable to complete the transaction of the Original Sale Agreement, and desire to terminate and replace the terms of the Original Sale Agreement with this Restated Purchase and Sale Agreement (herein the "Agreement").
- **C.** Seller is currently trespassing on portions of Buyer's property commonly known as Tax Lot 206 of Linn County Tax Assessor's Map 10S-3W-29.
- **D.** Buyer and Seller intend this Agreement to provide the terms and conditions for granting a public access and utility easement together with a mutual release of claims and farm lease agreement.

AGREEMENT:

In consideration of the mutual promises contained herein, Seller and Buyer, together with their successors and assigns, which may be referred to collectively herein jointly as the "*Parties*" or individually as a "*Party*," agree as follows:

1. Description of Easement and Property

Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller an easement interest and future right-of-way interest for an approximately 1.64-acre portion of a tract of land located on a portion of real property designated by the Linn County Assessor as Tax Lot 106 on Tax Map 10S-03W-29 and Tax Lot 402 on Tax Map 10S-03W-20, respectively, located in the county of Linn, state of Oregon, which is depicted on the map attached hereto as **Exhibit A** and incorporated by reference herein, and more particularly described in **Exhibit B**, which is attached hereto and incorporated by reference herein (the "**Property**").

2. Purchase Price

- **2.1** The agreed upon value for the Property is Eighty-Six Thousand, Seven Hundred Ninety-Four Dollars (\$86,794) (the *"Land Value"*).
- 2.2 The purchase of the Property will cause damage to Seller's remaining orchard for headland loss (the "Damages"). The headland loss a function of agreed value of the Seller's land (\$24,380.00 per acre) and the area that is thirty (30) feet in width located immediately east and west of the Easement Area, as that term is defined in the Easement Agreement (1.56 acres in total). Seller's estimated loss of headland value is Thirty-Eight Thousand, Thirty-Two and 80/100 Dollars (\$38,032.80). In partial consideration of this loss, Buyer and Seller shall enter into a mutual release of claims releasing all claims arising from Seller's trespass on Buyer's property, which is attached hereto as Exhibit C and incorporated herein by this reference (the "Release"), and that certain farm lease for the area subject to the Release, which is attached hereto as Exhibit D and incorporated herein by this reference (herein the "Lease").
- 2.3 Beginning in about 2014, Seller has used, possessed, or occupied an approximately four and eight tenths (4.8) acre portion of the real property owned by Buyer, designated by the Linn County Assessor as Tax Lot 206 on Tax Map 10S-03W-29 on Tax Map 10S-03W-29, located in the county of Linn, state of Oregon. Under the terms of the Lease, Buyer as Landlord and Seller as Tenant have agreed to lease the Premises (as defined in the Lease) for One Thousand, Four Hundred Forty and No/100 Dollars (\$1,440.00) per year. Seller has not paid Buyer such rent, and has a current obligation to pay nine (9) years of back rent, in the total amount of Twelve Thousand, Nine Hundred Sixty and 00/100 (\$12,960.00) Dollars (herein "Back Rent"). The Parties desire to offset Buyer's obligation to compensate Seller for the Damages defined above with this amount of Back Rent.
- 2.4 The *Purchase Price* shall equal the amount of the Land Value, plus the Damages, and less the Back Rent (\$86,794 + \$38,032.80 \$12,960.00 = \$111,866.80), which equals One Hundred Eleven Thousand, Eight Hundred Sixty Six and 80/100 Dollars.
- 2.5 Buyer has previously paid Ten Thousand Dollars (\$10,000) as earnest money (all monies deposited with the Title Company, described herein as the earnest money or additional earnest money shall collectively be referred to as the "*Earnest Money*") in the form of cash. Escrow shall be reopened with the Title Company, as defined below, within three (3) business days following the execution of this Agreement.

2.6 Any Earnest Money paid by Buyer shall be credited towards the Purchase Price at Closing.

3. Additional Consideration

- **3.1** Seller covenants to cooperate in executing any permit or land use application required for the intended use of the Property.
- **3.2** Buyer shall reconstruct, at Buyer's cost, Seller's waterline and drip irrigation system. The design must be approved by Seller, which approval shall not be unreasonably withheld. Buyer must have the work completed no later than May 1st of the year following notice. Buyer shall be responsible for the removal of all vegetation, and personal property within the Easement area. Buyer will cooperate with Seller in making connections of the waterline and drip system accessible to Seller.
- **3.3** Buyer shall, at no additional cost to Seller, release its interest in that certain twenty-five-foot (25') easement between the Parties along the western edge of Seller's property concurrent with the Closing Date, as defined below.
- **3.4** Buyer and Seller shall enter into the Release and Lease concurrent with Closing.

4. Escrow Closing

The Parties shall open escrow at Ticor Title Company, 315 Commercial St. SE #150, Salem, OR 97301, Phone: (503) 585-1881 (the *"Escrow Agent"* and the *"Title Company"*) immediately upon the signing of this Agreement.

Subject to the satisfaction or waiver by Buyer of the conditions set forth in this Agreement, conveyance of Property shall close no later than ten (10) days after the waiver or satisfaction by Buyer of Buyer's conditions to the Closing of the Property as set forth below (the "*Closing*" or the "*C*

For purposes of determining prorations, the Closing Date shall be the date upon which the Easement, as defined below, is recorded. If Buyer is unable to close on the scheduled Closing Date because additional time is required to prepare documents, Buyer may, without charge, extend the Closing Date for a maximum of thirty (30) days beyond the scheduled Closing Date upon written notice to Seller.

Seller shall pay the premium for the title insurance policy to the extent of owner's standard insurance together with any necessary endorsements to insure the Property, which Seller is required to deliver pursuant to this Agreement. Buyer shall pay all costs and expenses in connection therewith in excess of that amount. Seller and Buyer shall each pay one-half of the escrow fees charged by the Title Company. Any excise tax and any transfer tax assessed or any other fee necessary to clear Seller's title shall be paid by Seller. Real property taxes, assessments, and personal property taxes for the tax year in which the transaction is closed shall be protected as of the Closing Date.

The sale shall be closed when the document granting an easement interest or conveying title is recorded and funds are disbursed to Seller. At Closing, the Parties shall deposit with the Title Company all documents and funds required to close the transaction in accordance with the terms of this

Agreement. At Closing, Seller shall deliver a certification in a form approved by Buyer that Seller is not a "foreign person" as such term is defined in the Internal Revenue Code and the Treasury Regulations promulgated under the Internal Revenue Code. If Seller is a foreign person and this transaction is not otherwise exempt from FIRPTA regulations, the Title Company shall be instructed by the Parties to withhold and pay the amount required by law to the Internal Revenue Service. At Closing, Seller shall grant or convey the type of real estate interest described in Section 5.2. Buyer shall be entitled to possession on the Closing Date.

Following the Closing, Buyer shall have the right to remove, destroy, or sell any such vegetation, personal property, or improvements located on the Property subject only to the terms of the Easement, as defined below, and Buyer waives all rights and claims for emblements related to the Property.

5. Disbursement and Other Actions by Escrow Agent

At Closing, the Escrow Agent shall do the following:

5.1 Funds

Disburse all funds deposited with the Escrow Agent by Buyer for payment of the Purchase Price as follows:

- 5.1.1 Deduct all items chargeable to the account of Seller pursuant to this Agreement.
- 5.1.2 Disburse the balance of the Purchase Price to Seller promptly upon Closing.
- 5.1.3 Disburse the remaining balance of the funds, if any, to Buyer promptly upon Closing.

5.2 Recording

On the Closing Date, cause the **Public Access and Utility Easement Agreement** (the "**Easement**"), attached hereto as **Exhibit E** and incorporated by reference herein, to be recorded in the official records. On the Closing Date, cause the Lease to be recorded in the official records.

5.3 Title Policy

Issue the title policy to Buyer.

5.4 Disbursement of Documents to Buyer

Disburse to Buyer the FIRPTA certificate, and any other documents (or copies thereof) deposited into escrow by Seller pursuant hereto.

5.5 Distribution of Lease and Release to the Parties

Distribute to the Parties mutually executed copies of the Lease and Release.

6. Title Insurance Policy

Within ten (10) days after the date this Agreement is executed, Seller, at Seller's cost and expense, shall deliver to Buyer an owner's standard form preliminary title report from the Title Company (the "Preliminary Commitment"), together with complete and legible copies of all documents giving rise to and shown therein as exceptions to title (the "Underlying Documents"), showing the status of Seller's title to the Property. Buyer shall have not more than twenty (20) days after receipt of a copy of the Preliminary Commitment, along with the copies of the Underlying Documents (herein the "Title *Inspection Period*"), within which to give notice in writing to Seller of any objection to such title or to any liens or encumbrances affecting the Property. Buyer shall be deemed to have timely and adequately objected to and Seller shall be deemed to have agreed to remove all financial and judicial encumbrances (herein the "Liens"), including but not limited to, all mortgages, trust deeds, assignments of rent, fixture filings, judicial liens, judicial proceedings, tax liens, contractor's liens, local improvement district assessments, city or special district assessments and liens, and real property taxes to be prorated as of Closing. If Seller does not remove, at Seller's cost and expense on or before Closing, all exceptions to which Buyer has objected to herein or during the Title Inspection Period, then Buyer may either i) terminate this Agreement and neither Party will have any further obligations hereunder; or ii) waive the objections to title and proceed hereunder. Any such waiver of title objections shall be made in writing. All remaining exceptions set forth in the Preliminary Commitment either agreed to or waived by Buyer shall be deemed "Permitted Exceptions;" provided, however, Buyer shall not be required to object to any general exceptions to the Preliminary Commitment to preserve Buyer's right to purchase an ALTA extended policy or other endorsements pursuant to Section 4 above. The title insurance policy to be delivered by Seller to Buyer at Closing at Seller's sole expense shall contain no exceptions other than the Permitted Exceptions and the usual preprinted exceptions in an owner's standard form title insurance policy.

7. Prorates

The real property taxes will be prorated as of Closing. Seller shall be responsible for payment of any deferred taxes, penalties, or assessments, if any. The Parties will take no action to change the status or disqualify the property from deferral. Seller shall pay all utilities through the Closing Date.

8. Conveyance Document

Upon payment of the applicable portion of the Purchase Price, Seller shall deliver to Buyer the Easement, free and clear of all Liens and encumbrances except those approved by Buyer above.

9. Conditions For Benefit of Buyer

The following shall be conditions precedent to Buyer's obligation to perform hereunder and they may be waived in whole or in part only by Buyer. Buyer's obligation to close this Agreement is expressly conditioned upon the satisfaction, in Buyer's sole discretion, on written waiver by Buyer, of all of the following conditions. Seller acknowledges that the conditions are for the benefit of Buyer and that it will be left to the discretion of Buyer to determine whether the conditions have been satisfied or whether Buyer wishes to waive satisfaction of one or more conditions. The waiver by Buyer of any condition shall not relieve Seller of any liability or obligation with respect to any representation, warranty, covenant, or agreement of Seller.

9.1 Feasibility Analysis

Buyer may conduct a feasibility study to determine if the Property is suited for Buyer's intended use. If, pursuant to such feasibility study, Buyer determines that the Property is not suitable for its intended use, Buyer shall so notify Seller no later than one hundred eighty (180) days after the execution date, whereupon the obligations of both Parties hereunder shall be discharged and this Agreement shall terminate. If Buyer does not give Seller the notice required herein in the time period allotted therefore, Buyer shall be deemed to have waived the condition stated herein regarding feasibility. Such feasibility study may include, but not be limited to, the investigation of wetlands, environmental hazards, the zoning, the effect of local land use regulations and municipal ordinances, engineering, surveys, hydrological, topographical, traffic, soil and water analyses, and the availability and quality of access to the Property and other properties owned by Buyer, the costs of which shall be borne exclusively by Buyer.

In order to determine feasibility, Buyer and Buyer's employees, tenants, and agents may go upon the Property, at any reasonable time, for the purpose of making or conducting any noninvasive inspection, investigation, test or survey reasonably relative to Buyer's decision to purchase the Property, or to Buyer's prospective use thereof. Except as may be limited by the Oregon Constitution, the Oregon Tort Claims Act, or other applicable law or regulation, Buyer hereby agrees to defend, indemnify and to hold Seller harmless from any and all liabilities or obligations incurred as a result of such entrance of Buyer or its agents on the Property, except that Buyer shall not be liable to Seller, or have an obligation to indemnify Seller, on account of Buyer's discovery of any hazardous materials on the Property, or for disclosing the results of any tests, inspections, or surveys performed by Buyer.

Commencing on the date this Agreement is executed, Buyer and Buyer's employees, and agents shall have the right, at Buyer's sole expense, to initiate and pursue to completion proceedings to obtain all government permits and approvals necessary for Buyer's contemplated development and use of the Property. Seller shall execute such reasonable applications for, and shall otherwise reasonably cooperate with, Buyer's efforts to obtain such governmental permits or approvals affecting the Property; provided, however, that Buyer shall fully compensate Seller for any lien, encumbrance, or charge thereon, attributable to Buyer's activities with respect to this section, and shall indemnify, defend and hold Seller harmless from any expenses, claims or liabilities arising out of Buyer's activities in regard thereto subject to any limitation provided by the Oregon Constitution, the Oregon Tort Claims Act, or other applicable law or regulation.

In the event Buyer obtains an environmental report, such report must demonstrate, to Buyer's sole satisfaction, that there are not present on the Property any hazardous substances, wastes, or materials, any pollutants or contaminates, or other similar substances or materials which are included under or regulated by any local, state or federal law, rule, or regulation pertaining to environmental regulation, contamination or clean up, or any PCBs, asbestos, radon or underground storage tanks or wetlands. In the event that the environmental site assessment discloses any environmental condition which is unsatisfactory to Buyer, Buyer shall, one hundred eighty (180) days after the execution date, so notify Seller in writing. Seller shall then have ten (10) working days to agree in writing to remedy such condition and, should Seller choose to do so, Seller shall have until the Closing Date to complete such remedial action as may be required to remedy such condition to Buyer's satisfaction. If Seller elects not to perform such remedial actions, Buyer shall have ten (10) working days from receipt of Seller's notice thereof to notify Seller of Buyer's election to terminate this Agreement, whereupon the obligations of both Parties hereunder shall be discharged and this Agreement shall terminate.

9.2 Delivery of Reports

Buyer receiving from Seller, within fifteen (15) days of the signing of this Agreement, copies of all inspection reports, studies, surveys, soil tests, appraisals, permits, applications for land use actions, information related to past uses of the Property, architectural drawings, engineering studies or reports, and tax assessments and notices concerning or affecting the Property which are in Seller's possession or are available to Seller.

9.3 City Approval

The Millersburg City Council shall adopt a resolution approving the form of this Agreement and authorize the City Manager to enter into the Agreement on behalf of Buyer.

9.4 Delivery of Mutual Release and Farm Lease

As a condition precedent to Closing, Seller shall deliver to the Escrow Agent a signed and executed Lease. Further, by the Closing Date, Seller shall deliver to Buyer a signed and executed Release. Delivery to Buyer shall be in accordance with Section 23 of this Agreement regarding Notices and must be delivered to Buyer no later than the Closing Date.

10. Satisfaction or Failure of Conditions

If the conditions to Buyer's obligation to close are satisfied, the Parties shall proceed to close the transaction in accordance with the other terms and conditions of this Agreement. If Buyer, in its sole discretion, is not satisfied with any condition of the Property as set forth herein, and if Buyer and Seller have not reached a written agreement in settlement thereof on or before the last day of the contingency period, then Buyer shall deliver to Seller a termination notice, to be received by Seller on or before the last day of the contingency period, informing Seller of Buyer's desire to terminate this Agreement. If such notice is properly delivered, the Title Company shall immediately return the Earnest Money to Buyer and, upon Buyer's receipt thereof, neither Party hereto shall have any further rights against or obligations to the other under this Agreement, except as may be otherwise expressly provided herein.

11. Required Statutory Notice

The following is the notice as required by Oregon law: "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."

12. Hazardous Waste

Seller represents and warrants based upon its actual knowledge that the Property has never been used to generate, manufacture, transport, store or dispose of any hazardous substance; that no leak, spill or discharge of a hazardous substance has occurred on, in, or under the Property or the ground waters thereof and that the soil, ground water and soil vapor on, in, or under the Property is free of hazardous substances; that there are no potentially hazardous environmental conditions on the Property; and that the Property has not been identified by any governmental agency as the site upon which or potentially upon which, hazardous substances may have been located or deposited.

Seller indemnifies and holds Buyer harmless from any and all claims, penalties, fines, costs or liabilities, including but not limited to, cleanup, remedial action or restoration work, including attorney and expert fees, related in any way to the presence or suspected presence of hazardous waste in the soil, ground water or soil vapor on, in, or under the Property, except for any hazardous substance generated on the Property after the close of escrow.

These representations and warranties shall survive the Closing of this Agreement as it pertains to the Property and the delivery of the Easement, as applicable, called for herein for a period of eighteen (18) months.

"Hazardous substance" is used in this Agreement in its broadest sense to include all hazardous, toxic or contaminating substances, including petroleum products, asbestos, or similar materials which are now or in the future may be regulated by any environmental law, but excluding material customarily used in common farming practices.

"Environmental law" shall be interpreted broadly to include any present local, municipal, state or federal law, order, rule or regulation relating to environmental protection or pollution control.

13. Representations

Based upon actual knowledge, Seller represents and warrants as follows:

- **13.1** As of the Closing Date, there are no pending or threatened litigations, condemnation proceedings or annexation proceedings affecting the Property, and Seller has no knowledge of any litigation that is threatened, against or affecting Seller or the Property in any way; nor does Seller know or have reasonable grounds to know of any basis for the foregoing.
- **13.2** As of the Closing Date, Seller has not received notice pertaining to the violation of any law, statute, ordinance, rule, regulation, or deed restriction affecting the Property, and

Seller has no knowledge of any facts which might be a basis for any such notice.

- **13.3** Seller does not know of any pending or contemplated assessments or similar charges except those of record and shown in the Preliminary Commitment which will affect the Property; and to Seller's knowledge, there is no pending proceedings for any increase of the assessed valuation of any portion of the land or Property except as may be disclosed on such Preliminary Commitment.
- **13.4** There are no unpaid bills or claims in connection with the Property. There are no attachments, executions, or assignments for the benefit of creditors, or voluntary proceedings in bankruptcy or under any other debtor relief laws contemplated by or pending or threatened by or against Seller or otherwise affecting the Property.
- **13.5** The Property is free from material fault or defect.
- **13.6** Seller has received no notice from any insurance company or board of fire underwriters recommending or requiring any work to be done on the Property that remains unperformed.
- **13.7** There is no claim, suit, investigation, inquiry, exercise of eminent domain or condemnation proceeding in the nature of declaration or designation of the Property or any part thereof for historic, landmark, archaeological, wilderness, flood plain, wetlands or conservation purposes or for any other restriction on use, development, or alteration.
- **13.8** No action or proceeding has been commenced, is pending or threatened, to change the zoning requirements applicable to the Property to a different or more restrictive use. There are no restrictions on the use of the Property, other than the zoning designation.
- **13.9** All books, records, documents and information to be provided by Seller to Buyer in connection with this Agreement will be complete, true and accurate at the time they are delivered to Buyer and as of the Closing Date.
- **13.10** Seller represents that it will maintain the Property in a manner consistent with Seller's past practices until this Agreement is closed or escrow is terminated, whichever occurs earlier. Seller will not enter into any agreement affecting the Property without Buyer's prior written consent.
- **13.11** At Closing, there will be no parties in possession of any portion of the Property, nor any parties with any right to such possession, other than Buyer. No person, corporation, or other entity other than Buyer (by reason of this Agreement) has any right or option to acquire the Property or any portion thereof. There are no outstanding service or other contracts affecting the Property.
- **13.12** So long as the Bank releases their security interest, Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby, and has obtained all necessary consents and approvals of all requisite parties to execute and perform this Agreement. The individuals executing this Agreement and the instruments referenced herein on

behalf of Seller and the partners, officers, or trustees of Seller, if any, have the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.

- **13.13** There is legal and useable access to and from the Property to the public streets and highways, and the local government has approved the access to the Property.
- **13.14** The drainage of surface and subsurface waters does not affect the Property and/or other property contiguous to the Property; and Seller has not been involved in or threatened by or notified of litigation or claims respecting the drainage of such waters.
- **13.15** Seller has delivered to Buyer all the documents required to be delivered under this Agreement.
- **13.16** There have been no material adverse changes related to or connected with the Property from the date hereof until the Closing Date.

Seller's representations and warranties contained herein are true and accurate and are not misleading. Seller's representations and warranties contained herein shall be continuing and shall be true and correct as of the Closing Date with the same force and effect as if remade by Seller in a separate certificate at that time. Seller's representations and warranties contained herein shall survive the Closing of escrow for a period of eighteen (18) months and shall not merge into any deed or the Easement, as applicable, and the recordation of such instrument in the official records.

14. Indemnification by Seller

Seller shall indemnify, defend and hold harmless Buyer, its successors, heirs, principals, officers, directors, employees, agents and assigns (for purposes of this section, collectively "**Buyer**") from and against any and all liability, loss, claim, damage or expense, including, without limitation, legal, accounting, consulting, engineering, attorneys' fees and other expenses, to which Buyer may become subject insofar as they may arise out of or are based upon:

- **14.1** Any act or omission of Seller in its ownership and operation and management of the Property on or prior to the Closing Date; and
- **14.2** For a period of eighteen (18) months after Closing, Seller's breach of any representation and warranty contained in this Agreement or failure to perform any obligation contained in this Agreement to be performed by Seller.

15. Time of Essence

Time is of the essence of the performance of each of the obligations under this Agreement.

16. Remedies

In the event the conditions precedent to Buyer's obligations have occurred, and Buyer fails to close the sale through no fault of Seller, then Seller's sole and exclusive remedy shall be to retain Buyer's Earnest Money.

If the transaction fails to close because the conditions precedent to Buyer's obligations have not occurred or if Seller's title is not marketable, then Buyer shall be entitled to a full refund of Buyer's Earnest Money, and this Agreement shall be of no further force or effect, and the Parties shall pay for any escrow and title insurance charges according to their obligation if it had closed.

17. Foreign Investment in Real Property Tax Act

The Foreign Investment in Real Property Tax Act (FIRPTA), IRC §1445, requires every person who purchases United States real property from a foreign person to deduct and withhold from Seller's proceeds, ten percent (10%) of the gross sales price, with certain exceptions. Seller and Buyer agree to execute and deliver, as appropriate, any instrument, affidavit, or statement and to perform any acts reasonably necessary to carry out the provisions of FIRPTA.

18. Damage or Destruction; Condemnation

Until Closing, the risk of loss shall be retained by Seller. In the event all or any material portion of the Property is damaged, destroyed, condemned, or threatened with condemnation prior to the close of escrow, Buyer may terminate this Agreement. In such event, escrow will be terminated, the Earnest Money and accrued interest thereof will be promptly returned to Buyer and this Agreement shall have no further force or effect whatsoever. If a nonmaterial portion of the Property is destroyed or condemned, Buyer may elect to terminate this Agreement or to close this Agreement as provided for herein, including payment to Seller of the purchase money required. In such event, Buyer shall be credited with all insurance proceeds or condemnation proceeds payable to or for the account of Seller.

19. Survey and Reports

Buyer shall obtain and provide to Seller and the Title Company a current survey of the Property, in accordance with the most recent American Land Title Association standards, certified to Buyer and the Title Company. Seller shall also deliver to Buyer, at the same time that Seller delivers to Buyer an executed original of this Agreement, copies, which Seller has in its possession, of any prior surveys, soil reports, hydrological reports, engineering, platting or other studies, reports, including environmental reports and assessments, test results or information pertaining to the Property or the parent parcel from which the Property was (will be) divided.

20. Binding Effect/Assignment

This Agreement is binding upon and shall inure to the benefit of the Parties and their respective heirs, legal representatives and assigns. Buyer may assign Buyer's rights under this Agreement without Seller's prior written consent, which will not be unreasonably withheld.

21. Attorneys' Fees

In the event any arbitration, suit, action or proceeding, including any bankruptcy proceeding, is instituted to enforce any term of this Agreement, the prevailing Party shall recover from the losing Party reasonable attorneys' fees, together with all expenses, which may reasonably incur in taking such action, including, but not limited to costs incurred in searching records, the costs of title reports and expert witness fees, and anticipated post-judgment collection costs. If any appeal is taken from any judgment or decree of the trial or bankruptcy court, the losing Party shall pay the prevailing Party in the appeal its reasonable attorneys' fees and costs in such appeal. Said sums shall be in addition to all other

sums provided by law.

22. Brokers

Neither Buyer nor Seller has retained a broker in connection with this Agreement. Subject to the limitations of the Oregon Constitution, Oregon Tort Claims Act or other applicable law or regulation, the Parties agree to indemnify, defend, and hold each other harmless from a claim for a broker commission or fee.

23. Notices

All notices required or permitted to be given hereunder shall be in writing and shall be personally delivered or sent by overnight delivery service or by U.S. Certified Mail, return receipt requested, or by facsimile with the original sent by U.S. Mail, to the addresses and facsimile numbers set forth above. Either Party hereto may, by proper notice to the other, designate such other address for the giving of notice as deemed necessary. All notices shall be deemed given on the business day such notice is personally delivered or sent by facsimile, the business day following dispatch by overnight delivery service, or on the third day following the day such notice is mailed, if mailed in accordance with this section.

24. Interpretation

Headings at the beginning of each section and subsection are solely for the convenience of the Parties and are not a part of this Agreement. Whenever required by the context of this Agreement, the singular shall include the plural, and the masculine shall include the feminine and vice versa.

25. Rule of Construction

Any rule of construction interpreting this instrument against its drafter shall be inapplicable.

26. Reference

Unless otherwise indicated, all references to sections and subsections are to this Agreement. In the event the date on which Buyer or Seller is required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day. If one or more of the provisions of this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, then, to the extent consistent with the Parties' intent hereunder, the validity, legality and enforceability of the remaining provisions of any other application thereof shall not be affected or impaired.

27. 1031 Like-Kind Exchange

If either Buyer or Seller intends for this Agreement to be a part of a Section 1031 like-kind exchange, then the other Party agrees to cooperate in the completion of the like-kind exchange so long as the cooperating Party incurs no additional liability in doing so, and so long as any expenses (including attorneys' fees and costs) incurred by the cooperating Party that are related only to the exchange are paid or reimbursed to the cooperating Party at or prior to Closing.

28. Governing Law and Venue

The Parties hereby submit to jurisdiction in Linn County, Oregon and agree that any and all disputes arising out of or related to this Agreement shall be litigated exclusively in the Circuit Court for Linn County, Oregon and in no federal court or court of another county or state. Each Party to this Agreement further agrees that pursuant to such litigation, the Party and the Party's officers, employees, and other agents shall appear, at that Party's expense, for deposition in Linn County, Oregon.

29. Employment of Attorneys

The law firm of Saalfeld Griggs PC of Salem, Oregon has been employed by Buyer to prepare the documents in conjunction with this transaction, and such attorneys represent only Buyer in this matter. Seller is represented by John T. Bridges of Brown Tarlow Bridges & Palmer, PC.

Seller is hereby encouraged to seek and obtain legal counsel prior to signing this Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the last date signed below.

Seller: Willamette Valley Land, LLC

By:___

Date:_____

Paul Kuehne, Member

BUYER: THE CITY OF MILLERSBURG

By: ____

Date:_____

Kevin Kreitman, City Manager

EXHIBIT A PROPERTY DEPICTION

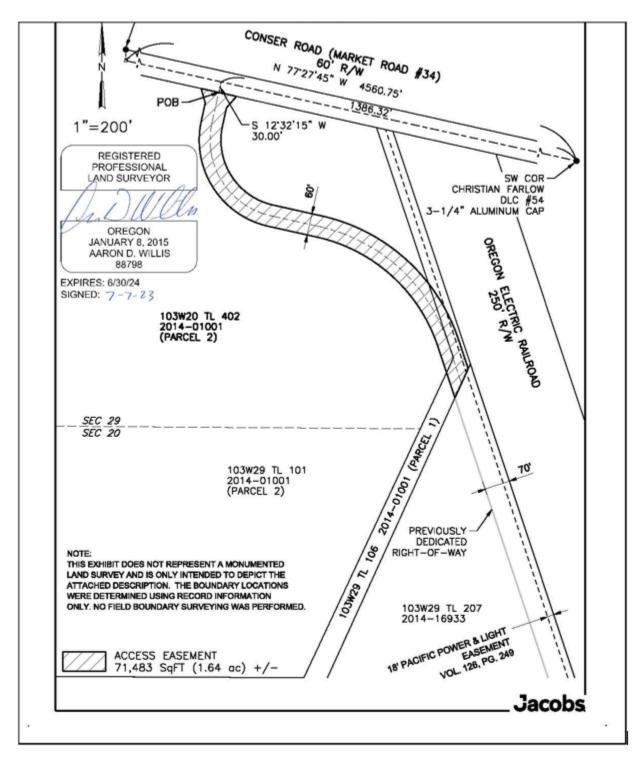


EXHIBIT B PROPERTY LEGAL DESCRIPTION

EXHIBIT A

Access Easement June 19, 2023 Willamette Valley Land, LLC Tax Map No. 10S03W200000402 10S03W290000106

ACCESS EASEMENT

A strip of land of varying width for ingress and egress purposes lying in Section 20, Township 10 South, Range 3 West of the Willamette Meridian, Linn County, Oregon and being a portion of those properties conveyed to Willamette Valley Land, LLC in Parcels 1 and 2 of Document No. 2014-01001, recorded January 29, 2014 in the Linn County Book of Records. The centerline of said strip being more particularly described as follows:

BEGINNING at a point on the Southerly right-of-way line of Conser Road (Market Road #34), said point being N 77°27'45" W, 1386.32 feet, along the centerline of Conser Road, and S 12°32'15" W, 30.00 feet from the Southwest corner of the Christian Farlow D.L.C. #54, at which point said strip is 100 feet in width, 50 feet on each side of the centerline; thence along said centerline S 12°32'15" W, 36.56 feet to a point at which said easement has tapered to 60 feet in width, 30 feet either side of the centerline; thence continuing along the centerline of said 60 foot wide strip the following courses: S 12°32'15" W, 50.25 feet; thence 336.15 feet along the arc of a 214.00 foot radius curve to the left (long chord bears S 32°27'45" E, 302.64 feet); thence S 77°27'45" E, 137.27 feet; thence 501.01 feet along the arc of a 486.00 radius curve to the right (long chord bears S 47°55'47" E, 479.12 feet); thence parallel with and 40.00 feet Westerly of the Westerly right-of-way line of the Oregon Electric Railroad, S 18°23'49" E, 117.95 feet to the Southerly line of said Parcel 1 of said Willamette Valley Land property and the TERMINUS of this description.

The sidelines of said strip shall be shortened or extended to intersect the Southerly boundary of said Parcel 1 of said Willamette Valley Land property.

The parcel of land to which this description applies contains 71,483 square feet (1.64 acre), more or less.

The Basis of Bearings for this description is related to County Survey 14449 by holding the record location of two 1/2" iron rods on the West line of said property recorded in Document No. 2014-16933.

This description is not based upon a monumented land survey. The boundary locations were determined using record information only. No field boundary surveying was performed.

REGISTERED PROFESSIONAL LAND SURVEYOR OREGON **JANUARY 8, 2015** AARON D. WILLIS 88798 PAGE 1 OF 1 EXPIRES: 6/30/24 SIGNED: 7-7-23

EXHIBIT C FORM OF MUTUAL RELEASE OF CLAIMS

MUTUAL RELEASE OF CLAIMS

This MUTUAL RELEASE OF CLAIMS (hereinafter "*Agreement*") is made and entered into by and between *The City of Millersburg*, an Oregon non-profit municipal corporation, (hereinafter "*City*"), and *Paul Kuehne and Willamette Valley Land, LLC*, an Oregon limited liability company (collectively hereinafter "*Company*"). City and Company shall be referred to collectively as the "*Parties*" and singularly as a "*Party*." The Agreement will be effective as of the "*Effective Date*," as defined below.

Now, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the undersigned Parties agree as follows:

RECITALS:

- A. City is the owner of real property commonly known as Tax Lot 206 on Tax Map 10S-03W-29 on Tax Map 10S-03W-29 of the Linn County Assessor's Maps located in the county of Linn, state of Oregon.
- **B.** Concurrent with this Agreement, Company as "Seller" and City as "Buyer" made and entered into a Restated Purchase and Sale Agreement (hereinafter "*PSA*"), in which Company agreed to grant City a public access and utility easement as described in the Public Access and Utility Agreement attached to the PSA as Exhibit E. This Agreement is attached to the PSA as Exhibit C. The Effective Date of this Agreement, as described above, will be the Closing Date as defined in the PSA.
- C. Since about 2014, Company has used, possessed, or occupied portions of the real property owned by City, without permission, right, or title, designated by the Linn County Assessor as Tax Lot 206 on Tax Map 10S-03W-29 on Tax Map 10S-03W-29 depicted on *Exhibit* 1, which is attached hereto and incorporated by this reference herein (herein the "*Subject Property*"). Beginning on or about 2017, Company has planted crops and other vegetation, including, but not limited to hazelnuts trees, and installing various improvements, including but not limited to irrigation and drainage pipelines. The Parties hereby wish to release all claims against the other related to or stemming from the above-described use, possession, or occupation of the Subject Property, pursuant to the terms of this Agreement as described below.
- **D.** Concurrent with this Agreement and the PSA, the Parties also made and entered into a farm lease agreement (hereinafter "*Farm Lease*"), which is hereto incorporated by this reference, to allow Company to rent from City, pursuant to the terms of the Farm Lease, the Subject Property, which has been planted with crops and improved by Company, through Company's use, possession, and occupation of the Subject Property. The Farm Lease is attached to the PSA as Exhibit D.

AGREEMENT:

1. Mutual Release

The Parties hereby acknowledge the sufficiency of the consideration provided for herein.

City agrees to hereby release and forever discharge and covenant not to sue Company with respect to any and all claims or demands of every conceivable kind, whether known or unknown, asserted or unasserted, arising out of, based on, connected with, relating in any way to, or involving the use, possession, or occupation of the Subject Property, by Company prior to the Effective Date, including but not limited to, claims for trespass. Notwithstanding the above, this release shall specifically exclude any and all claims relating to enforcement or breach of this Agreement and any exhibits hereto, any and all claims relating to enforcement or breach of the Farm Lease, and the recovery of attorney fees and costs relating to any such enforcement of this Agreement or Farm Lease.

Company agrees to hereby release and forever discharge and covenant not to sue City with respect to any and all claims or demands of every conceivable kind, whether known or unknown, asserted or unasserted, arising out of, based on, connected with, relating in any way to, or involving the use, possession, or occupation of the Subject Property by Company including but not limited to, claims for adverse possession, prescriptive easement, equitable servitude, equitable estoppel, or other ownership as well as fraud and fraud in the inducement in connection with this Agreement. Notwithstanding the above, this release shall specifically exclude any and all claims relating to enforcement or breach of this Agreement, any and all claims relating to enforcement or breach of the Farm Lease, and any exhibits hereto, and the recovery of attorney fees and costs relating to any such enforcement.

Without limitation, the Released Claims expressly include all claims, demands, causes of action or defenses that the Parties possess(ed) in their own right or that the Parties obtained or obtain from, by or through other persons or entities, whether by assignment, by operation of law or otherwise.

The undersigned hereby represent that they have not assigned or transferred any claims, causes of action or rights subject to this Agreement.

To procure the mutual covenants and conditions contained herein, the Parties hereby declare that no representations about the nature and extent of said damages made by any attorney or any agent of any Party hereby released, nor any representations regarding the nature and extent of legal liability or financial responsibility of any of the Parties hereby released have induced the Parties to make this Agreement; that in determining the consideration for this Agreement there has been taken into consideration not only the ascertained damages, but also the possibility that the damages may continue so that consequences not now anticipated may result from the said occurrence.

2. Assumption of Facts

Each of the Parties hereby expressly assumes the risk of any mistake of fact and of any facts proven to be other than or different from the facts now known to any of the Parties to this Agreement or believed by them to exist. It is the expressed intent of the Parties to this Agreement to release the claims as described above, finally and forever, without regard to who may or may not be correct in any understanding of the fact or law relating hereto, this matter.

3. No Admission of Liability

The Parties understand that they admit no liability of any sort by reason of signing this Agreement and that this Agreement is made to terminate all claims and damages described herein that the Parties have heretofore asserted or that the Parties' successors, assigns, personal representatives, or heirs might hereafter assert.

4. Confidentiality and Non-Disparagement

The Parties agree that the terms of this Agreement are confidential except as may be required by law. The Parties further agree not to disparage the other Party in any way, or to communicate, publish, post, or otherwise disclose the facts of this Agreement. If any Party is asked about this Agreement, the Party will state that the matter has been resolved.

5. Binding Effect

The Parties fully intend that the aforementioned releases shall be valid, effective, binding, and enforceable, in accordance with their terms and with the other terms of this Agreement, notwithstanding the possibility that the Parties may hereafter discover facts which, if they had been known at the time of the execution of this Agreement, may have materially affected the decision to enter into this Agreement, and the Parties intentionally waive the benefits of any state or federal statute, law, order, or rule that would provide to the contrary. The Parties affirm that they have not transferred or assigned, and will not transfer or assign, any of their claims described herein to any other person or entity, and that any such transfer or assignment shall be null and void.

6. Amendments

No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all the Parties.

7. Integration and Interpretation

This Agreement contains the entire agreement between the Parties regarding the subject matter hereof, and the terms of each are contractual and not a mere recital. The Parties to this Agreement have had the opportunity to review and consider this Agreement. This Agreement is made and entered into in the State of Oregon and shall in all respects be interpreted, enforced, and governed under the laws of that State.

It is the intent of the undersigned that the terms of this Agreement be construed in the broadest possible form for the benefit of the Party or Parties released and that this Agreement shall be construed in all instances against the undersigned.

8. Headings

The headings used in this Agreement are solely for convenience of reference, are not part of this Agreement, and are not to be considered in construing or interpreting this Agreement.

9. Severability

If any provision of this Agreement is determined to be illegal or unenforceable, the validity of the remaining provisions hereof shall not be affected hereby; and such illegal or unenforceable provision shall be deemed modified to the minimum extent necessary to make it consistent with applicable law and, in its modified form, such provision shall then be enforceable and enforced.

10. Waiver

No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver.

11. Employment of Attorneys

The law firm of Saalfeld Griggs PC has been employed by City to represent it in connection with this matter. John T. Bridges of Brown Tarlow Bridges & Palmer, PC has been employed by Company to represent it in connection with this matter. The rule of construction that a written agreement is construed against the Party preparing or drafting such agreement shall specifically not be applicable in the interpretation of this Agreement and any documents executed and delivered pursuant to or in connection with this Agreement.

12. Attorney Fees and Costs

In the event any arbitration, suit, action or proceeding, including any bankruptcy proceeding, is instituted to enforce any term of this Agreement, the prevailing Party shall recover from the losing Party reasonable attorneys' fees, together with all expenses, which may reasonably incur in taking such action, including, but not limited to costs incurred in expert witness fees and anticipated post-judgment collection costs. If any appeal is taken from any judgment or decree of the trial or bankruptcy court, the losing Party shall pay the prevailing Party in the appeal its reasonable attorneys' fees and costs in such appeal. Said sums shall be in addition to all other sums provided by law.

13. Counterparts

This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Facsimile or email transmission of any signed original document, and retransmission or email of any signed facsimile or email transmission, shall be the same as delivery of an original. The Parties agree that this transaction may be conducted and closed by electronic means in accordance with the provisions of the Uniform Electronic Transactions Act ("UETA") as codified in ORS Chapter 84. At the request of either Party, the Parties shall confirm facsimile or email transmitted signatures or electronic signatures by signing an original document and providing the signed original to the requesting Party.

14. Recitals

The Parties represent that all statements contained in the Recitals above are true and accurate. The Parties further acknowledge that the above Recitals are fully incorporated herein and made a part of this Agreement.

15. Authority of Signers

Any Party hereto signing warrants and represents that they have full authority to enter into this Agreement, have the authority and permission to sign on behalf of the corporation or other entity, and that this Agreement shall be binding upon and is authorized by the board of directors, members, or other similar authority has been provided for purposes of execution and authorization.

The Parties further state that they have read the foregoing release, that they have discussed its terms with their attorneys, and that they fully understand the same and they sign the same as their own free act and deed.

16. Jurisdiction

The Parties hereby submit to jurisdiction in Linn County, Oregon and agree that any and all disputes arising out of or related to this Agreement shall be litigated exclusively in the Circuit Court for Linn County, Oregon and in no federal court or court of another county or state. Each Party to this Agreement further agrees that pursuant to such litigation, the Party and the Party's officers, employees, and other agents shall appear, at that Party's expense, for deposition in Linn County, Oregon.

IN WITNESS WHEREOF, the above-named Parties have hereunto set their hands as of the date provided below. This Agreement shall be effective as of the last date set below.

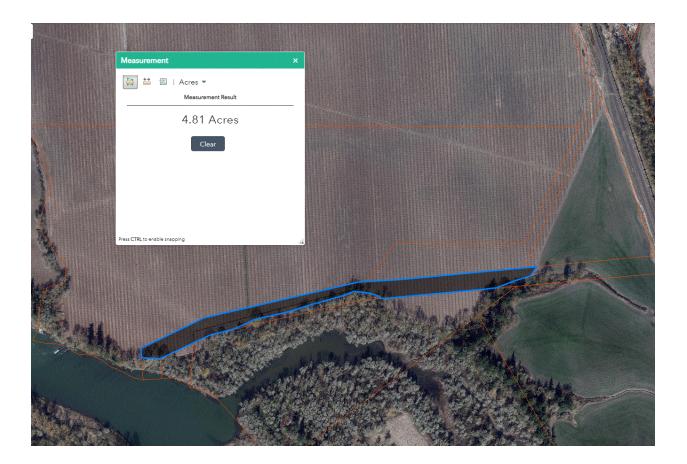
I CAREFULLY REVIEWED THIS MUTUAL RELEASE OF CLAIMS BEFORE SIGNING IT, AND I AGREE TO THE TERMS AND CONDITIONS SET FORTH ABOVE.

CAUTION! THIS IS A RELEASE! READ BEFORE SIGNING!

THE CITY OF MILLERSBURG, an Oregon non-profitWILLAMETTE VALLEY LAND, LLC, an Oregon limitedmunicipal corporationliability company

Ву:	By: Name:	
Name:		
lts:	Its:	
	Paul Kuehne	
Approved as to Form:	Approved as to Form:	
	John T. Bridges, OSB #904206	
<i>Of Attorneys for The City of Millersburg, an Oregon</i> <i>non-profit municipal corporation</i>	Of Attorneys for Willamette Valley Land, LLC, an Oregon limited liability company	

EXHIBIT 1 DEPICTION OF THE SUBJECT PROPERTY



4866-9771-5329, v. 14

EXHIBIT D FORM OF FARM LEASE

FARM LEASE

Landlord:	The City of Millersburg, an Oregon non-profit municipal corporation Kevin Kreitman, City Manager 4222 NE Old Salem Road Albany, Oregon 97321 Email: kkreitman@cityofmillersburg.org
Tenant:	Willamette Valley Land, LLC, an Oregon limited liability company Attn: Paul Kuehne PO Box 99 Lafayette, Oregon 97127

THIS FARM LEASE, hereinafter referred to as the "*Lease*," is made and entered into by and between *The City of Millersburg*, an Oregon non-profit municipal corporation (hereinafter "*Landlord*") and *Willamette Valley Land*, *LLC*, an Oregon limited liability company (hereinafter "*Tenant*"). Landlord and Tenant may be referred to herein jointly as the "*Parties*" and severally as a "*Party*." This Lease shall be effective as of the "*Effective Date*", as defined below.

RECITALS:

- A. Concurrent with this Lease, Tenant as "Seller" and Landlord as "Buyer" made and entered into a Restated Purchase and Sale Agreement (hereinafter "*PSA*"), which is hereto incorporated by this reference, in which Tenant agreed to grant Landlord a public access and utility easement interest and future right of way interest (hereinafter "*Easement*") as described in the Public Access and Utility Agreement attached to the PSA as Exhibit E. This Lease is attached to the PSA as Exhibit D. The Effective Date of this Lease, as described herein, will be the Closing Date as defined in the PSA.
- B. Beginning in about 2014, Tenant has used, possessed, or occupied an approximately four and eight tenths (4.8) acre portion of the real property owned by Landlord, designated by the Linn County Assessor as Tax Lot 206 on Tax Map 10S-03W-29 on Tax Map 10S-03W-29, located in the county of Linn, state of Oregon, which are further depicted on *Exhibit 1*, attached hereto and incorporated by this reference herein (the "*Premises*") without permission from Landlord, express or implied, by planting crops and other vegetation. In about 2017, Tenant planted hazelnuts trees and installed various improvements onto the land, including but not limited to irrigation and drainage pipelines. The Parties hereby wish to enter into this Lease to allow Tenant to rent from Landlord, pursuant to the terms of this Lease as set forth below, the Premises.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the undersigned Parties agree as follows:

1. Lease of Real Property

1.1 Premises

Landlord leases to Tenant on the terms and conditions set forth herein the Premises, excluding any and all land burdened by the Easement defined in the PSA or land reserved by Landlord for right-of-way.

1.2 Improvements and Personal Property

This Lease shall not include any of Landlord's personal property or any of Landlord's improvements or fixtures located on the Premises.

2. Term

2.1 Original Term

The term of this Lease shall commence on the Effective Date, as defined above, and shall continue through October 1, 2024.

2.2 Renewal Term

Upon the expiration of the Original Term, this Lease shall automatically recommence every year thereafter (the "*Recommencement Date*") unless one Party provides written notification to the other Party that the Lease shall not recommence no less than one (1) month before the Recommencement Date. If such notice is given, the Lease shall terminate on the last day of the same month as the month of the Recommencement Date, of that lease year.

2.3 Condition of Premises at Termination

At the termination of this Lease, the Premises shall be returned to Landlord in the same condition as it existed prior to Tenants use, possession, or occupation of the Premises, including prior to 2014, which shall include, but is not limited to, removing all crops, vegetation, irrigation pipelines, drainage pipelines, fixtures, and all other improvements and personal property belonging to Tenant. If at termination of this Lease, the Premises is not returned to Landlord in the condition described above, then any crops, vegetation, fixtures, improvements, or other personal property of Tenant shall be considered abandoned and Landlord shall have the right to remove, destroy, or sell any such crops, vegetation, fixtures, improvements, or other personal property on the Premises without requiring notice of such to Tenant. Tenant shall have no right to remove emblements upon such termination.

3. Rent

Tenant shall pay to Landlord as rent Three Hundred and No/100 Dollars (\$300.00) per acre per year for a total of One Thousand Four Hundred Forth and No/100 Dollars (\$1,440.00) per year for the Original Term. Every term thereafter, without notice from Landlord, the yearly rental amount shall increase 3% annually. Notwithstanding the initial term being less than a full year, a full year of Rent shall be due and owing because of Tenant's early possession of the Premises. For example, if the Original Term is automatically recommenced, then the rental amount for that term shall be \$1,483.20. Rent for the Original Term shall be due on October 1, 2024, and then if the Original Term is automatically recommencement Date of each year.

4. Use of the Premises

4.1 Use

The Premises shall be used only for agricultural and related purposes.

4.2 Cultivation

Tenant shall cultivate the Premises and grow hazelnuts.

4.3 Improvements

Tenant shall not construct, add, or locate any new improvements or fixtures, of any kind, on, over, across, or under the Premises that are not present on the Premises upon the Effective Date of this Lease without prior written consent from Landlord.

5. Taxes

The Parties mutually intend for the Premises to remain exempt for real property taxes under ORS 307.110(3)(b). During the term of the Lease, Landlord shall pay before delinquency all real property taxes levied against the Premises, if any.

6. Maintenance of the Premises; Waste

6.1 Good Husbandry

Tenant shall farm the Premises in accordance with the principles of good husbandry, shall conserve its resources and shall maintain it in a high state of cultivation.

6.2 Conservation of Premises

Tenant shall perform plowing, seeding, cultivating and harvesting in an efficient manner consistent with the conservation of the Premises.

6.3 Erosion

Tenant shall cultivate the Premises in a manner which will avoid erosion and will not interfere with any existing subsurface drainage systems.

6.4 Harm to Crops and Soil

Tenant shall not make use of herbicides, pesticides or practices that may harm any perennial crop now upon the Premises or which may render the soil unfit for any future contemplated use.

6.5 Hazelnut Trees

Tenant shall properly prune, spray and keep safe from wildlife damage any hazelnut trees on the Premises.

6.6 Maintenance of Watercourses and Roads

Tenant shall maintain all ditches, culverts, watercourses, roads and roadways in as good a condition as at the commencement of this Lease.

6.7 Trees, Pastures and Maintenance

Tenant shall not, without the prior written consent of Landlord, cut any live trees on the Premises.

6.8 Waste

Tenant shall not suffer or commit any waste to the Premises.

6.9 Hazardous Substances

Tenant shall not use, store, generate or dispose of any hazardous wastes or toxic substances as defined in 42 USC § 90, 601-9657 or ORS Chapter 466 on the Premises. Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, losses or attorney fees which arise during or after the term of the Lease as a result of contamination by hazardous wastes or toxic materials as a result of Tenant's use or activities, or Tenant's agents or contractors. This indemnity shall survive the expiration or earlier termination of this Lease.

6.10 Repairs and Maintenance

Landlord shall not be required to make any repairs, alterations, improvements, or conduct any maintenance on the Premises during the term of this Lease.

6.11 Underground Storage Tanks

Tenant shall not place any underground storage tanks on the Premises.

7. Insurance

Tenant shall be responsible for any insurance Tenant may wish to purchase covering liability or Tenant's acts and any loss which may be occasioned to Tenant's crops, fixtures, improvements, or other personal property upon the Premises subject to this Lease. Landlord shall be named as an additional insured on any policy purchased by Tenant for the Premises. In the event damage occurs on the Premises that results in a payout by Tenant's insurance company, Landlord shall receive a direct payment from Tenant's insurance company covering any damage to Landlord's personal property, including but not limited to, property outside of the Premises that is damaged by an insurable event on the Premises. Landlord shall be responsible for any insurance Landlord may wish to purchase covering liability for Landlord's acts and any loss which may be occasioned to the Premises subject to this Lease.

8. Indemnity

Tenant shall indemnify and hold Landlord harmless from any and all claims of every nature which may arise from injury to person or property arising from the use of the Premises, with the exception of those injuries resulting from Landlord's own negligence.

9. Assignability

This Lease is entered into in part because of the mutual respect and trust the Parties have with each other. Tenant shall not, without Landlord's prior written consent, transfer, assign, sublet or permit any other person or persons to occupy or use the Premises.

10. Default

10.1 Default

Should Tenant fail to do anything as required by this Lease, Landlord may terminate this Lease by giving Tenant notice in writing specifying Tenant's default. If Tenant shall not cure that default within thirty (30) days, this Lease shall automatically be terminated, and Landlord may reenter the Premises and take possession of it and remove all persons and things from the Premises.

10.2 Landlord's Remedies

The right of termination and reentry given to Landlord by this Lease shall be in addition to all other rights Landlord may have by law, including Landlord's right to declare all rents for the entire period due in full, and the right to sue for specific performance of the terms of this Lease. Landlord may proceed with more than one remedy at the same time, and if Landlord selects one remedy it shall not preclude the choice of another remedy.

11. Attorneys' Fees and Costs

11.1 Attorneys' Fees/Costs

If suit or action is instituted, or an appeal taken therefrom, in connection with any controversy arising out of this Lease, the prevailing Party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorneys' fees.

11.2 Arbitration or Mediation; Trial and Appeal

If any arbitration, mediation or other proceeding is brought in lieu of litigation, or if suit or action is instituted to enforce or interpret any of the terms of this Lease, or if suit or action is instituted in a Bankruptcy Court for the United States District Court to enforce or interpret any of the terms of this Lease, to seek relief from an automatic stay, to obtain adequate protection, or to otherwise assert the interest of a Party in a bankruptcy proceeding, the Party not prevailing shall pay the prevailing Party's actual fees and expenses, costs and disbursements, fees and expenses of expert witnesses in determining reasonable attorneys' fees pursuant to Oregon Rules of Civil Procedure 68, and such sums as the court may determine to be reasonable for the prevailing Party's attorneys' fees connected with the trial and any appeal and by petition for review thereof; in addition, the Court may award the prevailing Party attorneys' fees.

11.3 Definitions

For purposes of this Lease, the term "attorneys' fees" includes all charges of the prevailing Party's attorneys and their staff (including without limitation legal assistants, paralegals, word processing and other support personnel) and any post-petition fees in a Bankruptcy Court. For purposes of this Lease, the term "fees and expenses" includes but is not limited to all long-distance telephone charges, expenses of facsimile transmission and receipt, postage (including costs of registered or certified mail and return receipts), express mail or parcel delivery, mileage and all deposition charges, including but not limited to court reporters' charges, appearance fees and all costs of transcription, expert witness fees and all of their charges and expenses, costs incurred in searching records, the cost of title reports, litigation reports, foreclosure reports and surveyor's reports.

12. Miscellaneous

12.1 Time is of the Essence

Time is of the essence of the performance of each of the obligations under this Lease.

12.2 Waiver

Waiver by Landlord or Tenant of the strict performance of any term or covenant of this Lease, or of the timely payment of any rent due, or any right under this Lease, shall not be a continuing waiver.

12.3 Inspection

Landlord may come upon the Premises at any time to inspect or show the Premises provided Landlord does not harm the crops or interfere with farming activities. In addition, Landlord may come upon the Premises at any time for the purpose of inspection or maintenance of any fixtures, improvements, or other personal property of Landlord located on the Premises.

12.4 Binding Effect

Subject to the limitation on assignment by Tenant, this Lease shall be binding upon and inure to the benefit of the Parties, their successors, and assigns.

12.5 "As Is"

Tenant accepts the Premises, improvements, and the personal property, if any, included in this Lease in their present condition, AS IS, without any representation or warranties, express or implied, except as otherwise set forth in this Lease. It is understood and agreed that Landlord makes no guarantee or representation as to the production or carrying capacity of the Premises, that Tenant has inspected the Premises, and that Tenant has made his or her own determination of the value of the Premises.

12.6 Notices

All notices required or permitted to be given hereunder shall be in writing and shall be personally delivered or sent by overnight delivery service or by U.S. Certified Mail, return receipt requested, or by facsimile with the original sent by U.S. Mail, to the addresses and facsimile numbers set forth above. Either Party hereto may, by proper notice to the other, designate such other address for the giving of notice as deemed necessary. All notices shall be deemed given on the business day such notice is personally delivered or sent by facsimile, the business day following dispatch by overnight delivery service, or on the third day following the day such notice is mailed, if mailed in accordance with this section. Payments to Landlord shall be made to the same address.

12.7 Peaceable Surrender

Tenant shall peaceably surrender, quit, and give up the Premises at the termination or earlier expiration of this Lease.

12.8 Jurisdiction

The Parties hereby submit to jurisdiction in Linn County, Oregon and agree that any and all disputes arising out of or related to this Lease shall be litigated exclusively in the Circuit Court for Linn County, Oregon and in no federal court or court of another county or state. Each Party to this Lease further agrees that pursuant to such litigation, the Party and the Party's officers, employees, and other agents shall appear, at that Party's expense, for deposition in Linn County, Oregon.

12.9 Recitals

The Parties represent that all statements contained in the Recitals above are true and accurate. The Parties further acknowledge that the above Recitals are fully incorporated herein and made a part of this Agreement.

12.10 Rule of Construction

Any rule of construction interpreting this instrument against its drafter shall be inapplicable.

12.11 Lawyers for Landlord

The law firm of Saalfeld Griggs PC of Salem, Oregon has been employed by Landlord to prepare the documents in conjunction with this Lease, and such attorneys represent only Landlord in this matter.

Tenant is represented by John T. Bridges of Brown Tarlow Bridges & Palmer, PC.

IN WITNESS WHEREOF, the Parties have signed this Lease as of the last date signed below. This Lease is effective as of the Effective Date, as defined above.

> LANDLORD: THE CITY OF MILLERSBURG, an Oregon non-profit municipal corporation

> _____ Date:_____ By:___

Kevin Kreitman, City Manager

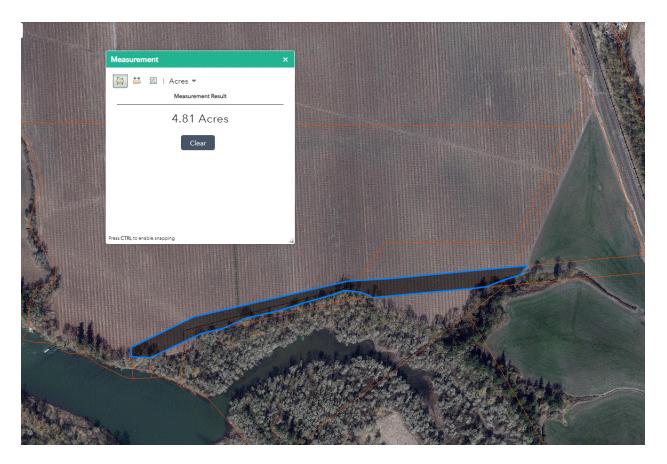
TENANT:

WILLAMETTE VALLEY LAND, LLC, an Oregon limited liability company

Date:_____ By:__

Paul Kuehne, Member

EXHIBIT 1 Depiction of Premises (Approximation of Premises)



4876-4861-9905, v. 16

EXHIBIT E FORM OF EASEMENT AGREEMENT

MAIL TAX STATEMENTS TO:

City of Millersburg, Oregon 4222 NE Old Salem Road Albany, OR 97321

AFTER RECORDING RETURN TO: City of Millersburg, Oregon 4222 NE Old Salem Road Albany, OR 97321

PUBLIC ACCESS AND UTILITY EASEMENT AGREEMENT

THIS PUBLIC ACCESS AND UTILITY EASEMENT AGREEMENT (the "*Agreement*") is made and entered into on ______ (the "*Effective Date*"), by and between *Willamette Valley Land, LLC*, an Oregon limited liability company ("*Grantor*"), and the *City of Millersburg*, an Oregon municipal corporation ("*Grantee*").

RECITALS:

- A. Grantor is the owner of the real property commonly known as tax lot 402 of Linn County Assessor Map Township 10 South, Range 3 West, Section 20 and tax lot 101 of Linn County Assessor Map Township 10 South, Range 3 West, Section 29, which are legally described in *Exhibit A*, which are attached hereto and incorporated by reference herein (the "*Servient Estate*").
- B. Grantor and Grantee (collectively the "Parties" and individually a "Party") desire to create a public access and utility easement that will grant the City of Millersburg and the public with access and utility rights across the Servient Estate and to provide for the future construction, use, and maintenance of roadway and utility facilities with the Easement Area, which is legally described in Exhibit B-1 and depicted on Exhibit B-2, which are attached hereto and incorporated by reference herein (the "Easement Area").
- **C.** The Parties intend that the potential use and benefits of the easement shall be shared equally between Grantee and Grantor while it is in its natural state or developed as a hazelnut orchard.

AGREEMENT:

For good and valuable consideration, which includes in part consideration other than money, the receipt and sufficiency thereof Grantor acknowledges and agrees as follows:

1. Grant of Easement

Grantor hereby grants to Grantee, its successors and assigns, a perpetual, public and nonexclusive sixty (60) foot wide easement (the "*Easement*") for ingress and egress for pedestrian and vehicular access including utilities over the Easement Area as more particularly described in Exhibits B-1 and B-2.

2. Reservation Interest

Grantor reserves the right to maintain, repair, reconnect, and reasonably relocate the existing waterlines, tile system, and drip irrigation lines; provided, however, Grantee or Grantee's successors and assigns may reasonably relocate such improvements at sole cost and expense of Grantee's successors and assigns.

3. Appurtenant to the Land and Binding on Successors and Assigns

This Agreement shall be appurtenant to the Servient Estate, shall run with the land, and the covenants, terms, and conditions hereof shall be binding on and inure to the benefit of the Parties' successors and assigns.

4. Scope of Easement

In addition to Grantee's use of and access over the Easement Area, the Easement shall include the right, privilege and authority of Grantee, and its agents, independent contractors, invitees, permittees and any successors or assigns to enter upon the Easement Area and construct, maintain, repair, and replace a roadway, shoulders, curbs, curb cuts, sidewalks, multi-use paths or any other access facilities, install and maintain underground public and private utilities, grade, level, drain, build, maintain, repair or rebuild the roadway as may be necessary or desirable on, over and across the ground embraced within the Easement Area. Grantor has the right to use the Easement for all purposes consistent with the exercise by the public of the rights granted herein.

5. Real Property Taxes

Grantor shall pay real property taxes assessed to Grantor's Servient Estate excluding the Easement Area. Grantor and Grantee agree to cooperate in creating a tax lot or modifying a tax map excluding the Easement Area from the Servient Estate's tax obligations.

6. Covenants Binding Grantor

No vegetation shall be planted, and no building, structure, or utility shall be placed upon, under or within the property subject to the Easement during its term without the written permission of Grantee. No buildings, structures, or utilities will be constructed within the Easement Area without specific written consent of Grantee or its successors or assigns. Should such specific consent be granted, Grantee will set forth the conditions under which such building or structure may be placed, including a stipulation that all risks of damage to the utilities will be assumed by Grantor, its successors, or assigns.

Grantor warrants that it holds fee title to the Property and that Grantee may peaceably enjoy the rights and benefits of this Agreement free from all liens and encumbrances, and Grantor, and its

successors and assigns, warrants and agrees to defend the title to this Easement against all persons who may lawfully make a claim.

Grantor and its successors and assigns will indemnify and hold harmless Grantee from and against any and all claims for injury to persons or property that result from the negligence or willful misconduct of Grantor, its agents, or employees.

Grantor agrees to execute a general warranty deed conveying the Easement Area to Grantee as right-of-way free and clear of all liens and encumbrances upon thirty (30) days written notice.

7. Covenants Binding Grantee

Except as otherwise provided, upon completion of construction by Grantee, or its agents, independent contractors, invitees, permittees and any successors or assigns, within the Easement Area, Grantee or its agents, independent contractors, invitees, permittees and any successors or assigns shall restore the property's disturbed surface to the condition reasonably similar to the previous state. Nothing in this Agreement shall be construed as requiring Grantee or its agents, independent contractors, invitees, permittees and any successors or assigns, to maintain landscaping, walkways, parking or other surface or subsurface improvement made or constructed by or on behalf of Grantor, its heirs, successors or assigns.

8. Maintenance

Grantee, or Grantee's successor's and assigns, shall be responsible for maintenance of the roadway and all other improvements constructed within the Easement Area; however, nothing in this Easement shall be construed to create a private cause of action against the Grantee for failure to maintain the roadway or other improvements.

9. Gates and Restriction on Access or Use

Grantor shall not restrict access or use to any party. Grantee may restrict access to the Easement Area temporarily or permanently in Grantee's sole and absolute discretion, including, but not limited to, the installation of a gate; provided, however, in such event Grantor shall retain access to the Easement Area by either direct access or access through a secured gate.

10. Attorneys' Fees and Costs

In the event any action or proceeding, including any bankruptcy proceeding, is instituted to enforce any term of this Agreement, the prevailing Party shall recover from the losing Party reasonable attorneys' fees, together with all expenses, which may reasonably be incurred in taking such action, including, but not limited to, costs incurred in searching records, the costs of title reports and expert witness fees, and anticipated post-judgment collection costs. If any appeal is taken from any judgment or decree of the trial or bankruptcy court, the losing Party shall pay the prevailing Party in the appeal its reasonable attorneys' fees and costs in such appeal. Said sums shall be in addition to all other sums provided by law.

11. Time of Essence

Time is of the essence of the performance of each of the obligations under this Agreement.

12. Governing Law and Venue

The Parties hereby submit to jurisdiction in Linn County, Oregon and agree that any and all disputes arising out of or related to this Agreement shall be tried exclusively in Linn County, Oregon and in no federal court or court of another county or state. Each Party to this Agreement further agrees that pursuant to such litigation or trial, the Party and the Party's officers, employees, and other agents shall appear, at that Party's expense, for depositions and trial in Linn County, Oregon.

13. Rule of Construction

Any rule of construction interpreting a document against its drafter shall be inapplicable.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Agreement was executed as of the Effective Date written above.

GRANTOR: WILLAMETTE VALLEY LAND, LLC

Ву:_____

Paul Kuehne, Member

STATE OF OREGON)) ss. County of _____)

This instrument was acknowledged before me on ______, by Paul Kuehne, Member of Willamette Valley Land, LLC, an Oregon limited liability company.

Notary Public for Oregon
My Commission Expires:_____

GRANTEE: THE CITY OF MILLERSBURG

Ву:_____

Kevin Kreitman, City Manager

STATE OF OREGON)) ss. County of _____)

This instrument was acknowledged before me on_____, Kevin Kreitman, City Manager of the City of Millersburg, an Oregon municipal corporation.

Notary Public for Oregon
My Commission Expires:_____

by

EXHIBIT A TO EASEMENT AGREEMENT SERVIENT ESTATE LEGAL DESCRIPTION

PARCEL 1:

The following described real property situated in the County of Linn and State of Oregon:

Beginning at a stone on the Southeasterly boundary line of the Donation Land Claim of Silas Haight, et ux, Claim No. 55 in Township 10 South and Range 3 West of the Willamette Meridian, Linn County, Oregon, said stone being South 52° 50' West, 897.60 feet distant from the most Easterly corner of said Claim No. 55 and from thence running South 52° 50' West, 1777.60 feet to the Willamette River, thence down said Willamette River the following courses and distances:

North 41° 06' West, 542.66 feet; thence North 61° 42' West, 132 feet; thence North 79° 06' West, 57.58 feet to a point South 1° 9' West of a 1 1/2-inch pipe, said pipe being West, 2660.50 feet and South 1093.81 feet distant from the said most Easterly corner of said Donation Land Claim No. 55; thence North 1° 09' East, 40 feet, more or less to said first above mentioned 1 1/2-inch pipe; thence North 1° 09' East, 332.55 feet to a 5/8-inch bolt; thence North 75° 29' East, 1119.77 feet to a 5/8-inch bolt; thence North 34° 30' East, 232.36 feet to a 1 inch x 40 inch pipe, thence South 89° 46' East, 771.83 feet to 3 5/8~inch bolt, thence North 25° 00' East, 973.54 feet to a 1 inch x 50 inch pipe, thence North 18° 28' West, 671.68 feet to a 3/4-inch pipe; thence South 77°33' East, 46.62 feet; thence South 18° 28' East, 677.33 feet to a 1 inch x 50 inch pipe; thence of beginning.

SAVE AND EXCEPT that portion conveyed to City of Millersburg, a municipal corporation of the State of Oregon, by deed recorded May 8, 1990 in Volume 530, Page 769, Microfilm Records for Linn County, Oregon, described as follows:

Beginning at the Southwest corner of Isaac Miller Donation Land Claim No. 46 in Township 10 South, Range 3 West, Willamette Meridian, Linn County, Oregon; thence North 88° 38' 30" East, 1108.80 feet; thence North 1° 13' 30" West, 1320.00 feet; thence North 88° 38' 30" East, 1101.08 feet; thence North 18° 34' West, 2739.29 feet along the West right-of-way line of the Burlington Northern Railroad to the true point of beginning; thence South 84° 28' 35" West, 1798.57 feet; thence South 76° 12' 25" West, 898.88 feet; thence South 63° 23' 34" West, 326.66 feet; thence South 3° 30' East 119.51 feet; thence South 86° 30' West, 100.00 feet; thence North 3° 30' West, 185.56 feet; thence North 63° 23' 34" East, 403.94 feet; thence North 76° 12' 25" East, 917.33 feet; thence North 84° 28' 35" East, 1782.63 feet; thence South 18° 34' East, 102.65 feet to the true point of beginning.

ALSO SAVE AND EXCEPT that portion of the above described property lying South of the Southerly line of the above referenced City of Millersburg tract.

PARCEL 2:

Part of Sections 19, 20, 29 and 30 in Township 10 South, Range 3 West of the Willamette Meridian, Linn County, Oregon, and described as follows:

Beginning in the centerline of Linn County Market Road No. 34, at a point South 89°55' East 137.08 feet, South 889.89 feet, and South 77°32' East 1001.67 feet from the most Westerly Southwest corner of the George Miller, Sr., Donation Land Claim No. 58 in Section 19, Township 10 South, Range 3 West, said Donation Land Claim corner being on the Northwesterly line of the Silas Haight Donation Land Claim No. 55; and running thence South 1°18' West, along the center line of a ditch, 1319.24 feet to the

intersection of said ditch with a second ditch; thence Southerly, along the center line of the last mentioned ditch, following the meanders thereof, approximately 1750 feet to the right bank of the Willamette River; thence, following the meanders of said right bank Easterly upstream approximately 1150 feet to a point South 1°09' West of a 1-1/2 inch iron pipe, said pipe being West 2660.50 feet and South 1093.81 feet from the most Easterly corner of said Silas Haight Donation Land Claim No. 55; thence North 1°09' East 40 feet, more or less, to said 1-1/2 inch iron pipe; thence, continuing North 1°09' East 322.05 feet, to a 5/8 inch iron bolt; thence North 75°29' East 1119.77 feet to a 5/8 inch iron bolt; thence North 34°30' East 232.36 feet to a 1 inch iron pipe; thence South 89°46' East 771.83 feet to a 5/8 inch iron bolt; thence North 25°00' East 973.54 feet to a 1 inch iron pipe; thence North 18°28' West 706.65 feet to the center line of the aforementioned Linn County Market Road No. 34; thence North 77°32' West, along said centerline, to the point of beginning.

SAVE AND EXCEPT that portion conveyed to City of Millersburg, a municipal corporation of the State of Oregon, by deed recorded May 8, 1990 in Volume 530, Page 769, Microfilm Records for Linn County, Oregon, described as follows:

Beginning at the Southwest corner of Isaac Miller Donation Land Claim No. 46 in Township 10 South, Range 3 West, Willamette Meridian, Linn County, Oregon; thence North 88° 38' 30" East, 1108.80 feet; thence North 1° 13' 30" West, 1320.00 feet; thence North 88° 38' 30" East, 1101.08 feet; thence North 18° 34' West, 2739.29 feet along the West right-of-way line of the Burlington Northern Railroad to the true point of beginning; thence South 84° 28' 35" West, 1798.57 feet; thence South 76° 12' 25" West, 898.88 feet; thence South 63° 23' 34" West, 326.66 feet; thence South 3° 30' East 119.51 feet; thence South 86° 30' West, 100.00 feet; thence North 3° 30' West, 185.56 feet; thence North 63° 23' 34" East, 403.94 feet; thence North 76° 12' 25" East, 917.33 feet; thence North 84° 28' 35" East, 1782.63 feet; thence South 18° 34' East, 102.65 feet to the true point of beginning.

ALSO SAVE AND EXCEPT that portion of the above described property lying South of the Southerly line of the above referenced City of Millersburg tract.

EXHIBIT B-1 TO EASEMENT AGREEMENT EASEMENT AREA LEGAL DESCRIPTION

EXHIBIT A

Access Easement June 19, 2023 Willamette Valley Land, LLC Tax Map No. 10S03W200000402 10S03W290000106

ACCESS EASEMENT

A strip of land of varying width for ingress and egress purposes lying in Section 20, Township 10 South, Range 3 West of the Willamette Meridian, Linn County, Oregon and being a portion of those properties conveyed to Willamette Valley Land, LLC in Parcels 1 and 2 of Document No. 2014-01001, recorded January 29, 2014 in the Linn County Book of Records. The centerline of said strip being more particularly described as follows:

BEGINNING at a point on the Southerly right-of-way line of Conser Road (Market Road #34), said point being N 77°27'45" W, 1386.32 feet, along the centerline of Conser Road, and S 12°32'15" W, 30.00 feet from the Southwest corner of the Christian Farlow D.L.C. #54, at which point said strip is 100 feet in width, 50 feet on each side of the centerline; thence along said centerline S 12°32'15" W, 36.56 feet to a point at which said easement has tapered to 60 feet in width, 30 feet either side of the centerline; thence continuing along the centerline of said 60 foot wide strip the following courses: S 12°32'15" W, 50.25 feet; thence 336.15 feet along the arc of a 214.00 foot radius curve to the left (long chord bears S 32°27'45" E, 302.64 feet); thence S 77°27'45" E, 137.27 feet; thence 501.01 feet along the arc of a 486.00 radius curve to the right (long chord bears S 47°55'47" E, 479.12 feet); thence parallel with and 40.00 feet Westerly of the Westerly right-of-way line of the Oregon Electric Railroad, S 18°23'49" E, 117.95 feet to the Southerly line of said Parcel 1 of said Willamette Valley Land property and the TERMINUS of this description.

The sidelines of said strip shall be shortened or extended to intersect the Southerly boundary of said Parcel 1 of said Willamette Valley Land property.

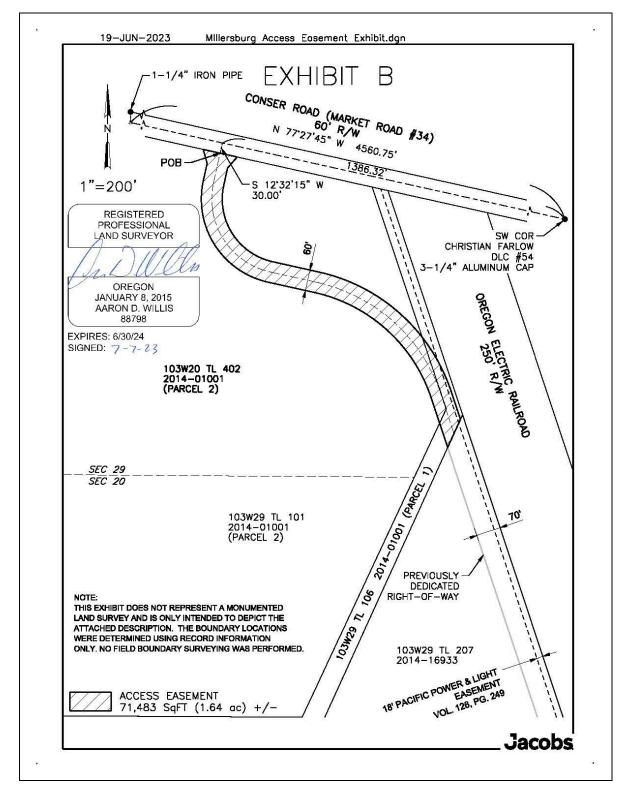
The parcel of land to which this description applies contains 71,483 square feet (1.64 acre), more or less.

The Basis of Bearings for this description is related to County Survey 14449 by holding the record location of two 1/2" iron rods on the West line of said property recorded in Document No. 2014-16933.

This description is not based upon a monumented land survey. The boundary locations were determined using record information only. No field boundary surveying was performed.

REGISTERED PROFESSIONAL LAND SURVEYOR OREGON **JANUARY 8, 2015** AARON D. WILLIS 88798 PAGE 1 OF 1 EXPIRES: 6/30/24 SIGNED: 7-7-23

EXHIBIT B-2 TO EASEMENT AGREEMENT EASEMENT AREA DEPICTION



4865-4582-6140, v. 31



TO: Millersburg City Council

VIA: Kevin Kreitman, City Manager

FROM: City Staff

DATE: February 7, 2024, for Council Meeting February 13, 2024

SUBJECT: Project Updates Memo

Monthly Update on Projects:

Staff are currently in the process of implementing many projects and activities in the city to address objectives of the Strategic Plan, direction from Council, and needs staff have identified.

An overview of several specific tasks and projects is provided below.

Water DRC Operator

Beginning January 2024, The City of Albany is providing the Direct Responsible Charge (DRC) operator for the City of Millersburg water distribution system, as required by Oregon Drinking Water Services. This change was part of the Intergovernmental Agreement approved by both city councils in late 2023. The DRC service was previously provided by Jacobs and their final two quarterly reports are attached to this memo. Jacobs is no longer able to provide DRC service to Millersburg because the license holder transferred out of the area. This change has very little impact on operations in Millersburg, other than streamlining some processes and communication.

North Millersburg Park Update

The grant for the North Millersburg Park is nearing an end, all tasks are almost complete. One of the tasks included a high-level estimate for the eventual construction of the park. Based on the approved master plan concept construction of the park will likely cost about \$2,500,000. We anticipate most of this funding will be obtained through grants with a required match. The next step is to pursue a grant for development of construction documents. Once we have construction documents and a final cost estimate we can look for funding for the construction.



To: Millersburg City Council Date: 10/20/23 Re: Quarterly Update on Distribution DRC Activities

Dear City Council;

This third quarter of 2023, there were no compliance issues or violations.

From July through September of 2023, I have performed the below listed activities.

- Confirmed all coliform samples were reported to the state drinking water data system.
- Monitored the work order activities performed by the City of Albany.
- Updated some of the compliance binders.
- Lead and Copper sample were all within compliance and lower then the reporting limits.
- Due to some low chlorine residual readings at the sample station on NE Katheryn. The City of Albany distribution crew continues their increased main line flushing program to refresh the water in this area.

Please let me know if I can be of further assistance or if you have any questions. My cell number is 503-313-5808.

Sincerely;

Add Allanets

Jeff Houchin Area Manager the Gorge Area Jacobs



To: Millersburg City Council Date: 1/8/24 Re: Quarterly Update on Distribution DRC Activities

Dear City Council;

This fourth quarter of 2023, there were no compliance issues or violations.

From October through December of 2023, I have performed the below listed activities.

- Confirmed all coliform samples were reported to the state drinking water data system.
- Monitored the work order activities performed by the City of Albany.
- Due to some low chlorine residual readings at the sample station on NE Katheryn. The City of Albany distribution crew continues their increased main line flushing program to refresh the water in this area.
- Updated the compliance binders and closed out the Jacobs contract.

We greatly appreciate the opportunity to serve the City of Millersburg for the past several years. We wish you all the very best in the new year.

Sincerely;

Add Allanets

Jeff Houchin Area Manager the Gorge Area Jacobs



: Millersburg City Council

: Kevin Kreitman, City Manager

FROM: Janelle Booth, Assistant City Manager/City Engineer

DATE: February 7, for the February 13, 2024, City Council Meeting

SUBJECT: Nutria Management in City Stormwater Facility

<u>Action Requested</u>: Council direction on nutria management at Sweetwater stormwater facility and consideration of reimbursement request.

Discussion:

Nutria activity has been observed and reported in Millersburg for many years. Because of its bank slopes and water depth, the Sweetwater stormwater basin is well-suited for their dens, and burrowing activities are now impacting the banks of the basin. The Sweetwater basin is the only city-owned stormwater facility that has these conditions. Although there is no observable risk of immediate failure of the slopes or berm, depressions in some areas have become significant enough that they will need to be addressed with maintenance soon.

There are several options for addressing nutria damage at this stormwater facility:

- 1. Repair repair damaged areas as they are identified filling in burrows, regrading, and replanting. This will need to be done on a recurring basis.
- 2. Population control trapping performed by a licensed trapper. This will need to be done on a recurring basis. Trapping will not eliminate nutria entirely but is expected to reduce their activity and therefore ongoing damage.
- Exclusion attempt to prevent nutria from accessing the basin or burrowing into banks. This option could include fencing or armoring slopes. Any exclusion option would include significant initial costs, be disruptive to the basin, and introduce other complicating factors (permitting, other wildlife impacts, etc.).

Staff have reviewed ODFW resources and consulted with neighboring city staff; a combination of repair when needed and population control is consistent with how others in our region are addressing this issue. Additional information on living with nutria can be found at

https://www.dfw.state.or.us/wildlife/living_with/nutria.asp.

After obtaining permission from the City, a property owner adjacent to the basin hired a licensed trapper to remove nutria twice over the past two years. He has provided staff with copies of the invoices for this work. In December 2023/January 2024, 16 nutria were removed for a cost of \$1,440. Property owners adjacent to the basin have reported a significant decrease in nutria activity for the year following trapping. Based on this information staff would anticipate a cost of

\$1,500 to \$2,000 per year, with escalation for inflation. The property owner has asked the City to consider reimbursement for all or a portion of the cost of the trapping done over the past two years. The total amount of the trapping performed is \$2,705 (\$1,265 in 22/23 and \$1,440 in 23/24).

Budget Impact:

Trapping activities anticipated at \$1,500 to \$2,000 per year if performed annually. If approved, there are currently sufficient funds in the stormwater budget for the requested reimbursement. Repair of damage will be performed by city staff with costs for materials and supplies. Funding for ongoing activities in our stormwater system comes from our stormwater program. This program currently has no revenue source for maintenance activities and is funded by transfers from the general fund.

Recommendation:

Staff recommends a combination of repair when needed and population control to manage current and future nutria damage at the Sweetwater stormwater facility. Staff does not recommend attempting exclusion techniques at this facility due to significant impacts and cost.

	COMMISSION AND COMMITTE APPLICATION	E
Millersburg	(Please print legibly or type)	
CITY HALL 4222 NE Old Salem Road Albany, OR 97321 www.cityofmillersburg.org (458) 233-6300	Commission and/or Committee Preference: Committee (list all for which you are applying)	
Name: Chelsen Tyles	Hudnick Preferred First Name:	Chelsen Headnick
3	Residential Information:	
Home Address:	Phone: - Cellular:	
E-mail:	Fax:	
		(Optional)
Employer's Name:	Employment Information:	

Please provide information as requested below to describe your qualifications to serve on this City of Millersburg Commission or Committee. Feel free to provide additional information you wish to share with the City.

• List current or most recent occupation, business, trade, or profession:

E-mail:

Compliance coordinator - Tradewinds Thansputation

F-CAG-001

List community/civic activities. Indicate activities in which you are or have been active: .

Millersburg Farmers Market

Indicate why you are interested in serving on this commission or committee and what other qualifications apply to this position.

Liason between Events Committee + sub-committee "Millersburg Farmers Market".

What contributions do you hope to make?

Velunteer + 9515t with all events in Millursburg.

Please consult the Guide for Public Officials and the Guide for Public Officials 2015 Supplement that are posted on the state of Oregon's website at https://www.oregon.gov/ogec/Pages/Guide-for-Public-Officials.aspx (see 63 Guide for Public Officials The guide has been revised to include informational links to statutes and rules to give you a more complete reference tool. ulla Click here to access the guide. Click here for Guide for Public Officials 2015 Supplement.

Signature of Applicant

10/2024