

**PRELIMINARY AGENDA
REGULAR SESSION
CITY OF NORTH PLAINS, CITY COUNCIL MEETING
JESSIE MAYS COMMUNITY HALL
30975 NW Hillcrest Street
Monday, May 5, 2014 – 7:00 P.M.**

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **CONSENT AGENDA:** *(The items on the Consent Agenda are normally considered in a single motion. Any item may be removed for separate consideration upon request by any member of the Council.)*
 - A. Approval of regular session agenda
 - B. Approval of minutes of 04/21/2014 Council meeting
5. **PUBLIC COMMENT:** *(Persons wishing to speak on matters not on the agenda may be recognized at this time. Speakers must complete a "Public Comment Registration form" on the information table and return it to the City Recorder. You are not required to give your address when speaking to the City Council, only your name. Presentations are limited to five minutes.)*
6. **STAFF REPORTS**

Staff reports will be provided by the Public Works Director and Chief of Police. Library Director Debbie Brodie is out on leave, therefore she submitted a written report.
7. **PRESENTATION:**

Proclamation: Declaring the week of May 18-24, 2014 as Emergency Medical Services Week
8. **PUBLIC HEARING:**

None Scheduled
9. **NEW BUSINESS:**
 - A. Discussion of the Expiration of the Library Ground Lease with the Friends of the North Plains Public Library
10. **UNFINISHED BUSINESS:**
 - A. Discussion of acquisition or direction of McKay Creek Parcel adjacent to McKay Fields subdivision
 - B. Review of proposed salary ranges for 2014/2015 and adoption of Resolution No. 1828 approving the new salary range schedule (Continued from 4/21/14)
 - C. Adopt Resolution No. 1832 naming the new park on Curtis Street (Continued

from 4/21/14)

11. ORDINANCES:

FIRST READING:

None Scheduled

SECOND READING:

None Scheduled

12. CITY MANAGER REPORT

13. COUNCIL REPORTS

A. Council reports will be provided by the Mayor and City Councilors on meetings attended and other items.

B. May 2014 Council Calendar

14. ADVICE/INFORMATION ITEMS:

- May Clean-Up Day at Jessie Mays at 8:00 a.m. on Saturday May 10.
- Super Saturday: Portland Ballet at 1:00 at Jessie Mays on Saturday, May 10.
- Spring Opening of NP Community Gardens at 1:00 on Commercial, Saturday, May 10.
- Sandy River Rafting Trip: Register on-line. Taking off from Jessie Mays parking lot at 8:30 a.m. on Saturday, May 24.
- Memorial Day: City offices closed, Monday, May 26.

15. ADJOURNMENT:

North Plains City Council meetings are accessible for disabled individuals. The City will also endeavor to provide services for persons with impaired hearing or vision and other services, if requested, at least 48 hours prior to the meeting. To obtain services, please call City Hall at (503) 647-5555

The following City Council Meetings are scheduled to be held at Jessie Mays Community Hall at 30975 NW Hillcrest Street, North Plains, Oregon.

The meetings will be held on the following dates at 7:00 p.m.:

Monday, May 19, 2014

Monday, June 2, 2014

Monday, June 16, 2014

CITY OF NORTH PLAINS, CITY COUNCIL MEETING
MINUTES REGULAR SESSION

Jessie Mays Community Hall
30975 NW Hillcrest Street
Monday, April 21, 2014

1. **CALL TO ORDER:** Mayor David Hatcher called the Regular Session of the City Council to order at 7:00 p.m.
2. **PLEDGE OF ALLEGIANCE:** Mayor Hatcher led the flag salute.
3. **ROLL CALL:** Mayor David Hatcher; Council President Teri Lenahan; Councilors: Michael Broome, Michael Demagalski, Charlynn Newton, Robert Kindel, Jr., and Glen Warren

Staff present: City Manager Martha DeBry, Chief of Police Bill Snyder, Public Works Director Blake Boyles, City Recorder Margaret Reh

4. **CONSENT AGENDA:**
 - A. Approval of regular session agenda
 - B. Approval of minutes of 04/07/2014 Council meeting

Motion by Broome and seconded by Warren to approve the Consent Agenda. The motion was approved unanimously.

5. **PUBLIC COMMENT:**
6. **STAFF REPORTS**

Public Works: Boyles reported that ODOT has now paved the overpass on Hwy 26. ODOT will continue with the striping weather permitting. Boyles also reported the County will begin a widening project on Glencoe Road with a new overlay and an extension of the bike lane.

Nature's Needs has been providing their compost product for North Plains' citizens. There has been a pile on Commercial Street for residents to take at will. They have provided over 52 yards to date. The compost will be available through the City Cleanup Day on May 10.

Boyles also has been working on plans for the Sunset Terrace and Sunset Ridge developments. He is also working with the City Engineer (Murray and Associates) on the water line extension at the Basile property on North Avenue.

Police Dept. Chief Snyder reported that for the past two years he has been monitoring the case load in regards to the arrests in town associated with heroine, methamphetamine, and marijuana. This is an issue in town and the department is

making steady arrests in regards to this. Hatcher inquired if it is mostly out-of-towners but Snyder answered that is it mostly individuals who live in town. The department wants to push back on it and address the issue.

Snyder consulted with the Washington County Sheriff regarding the shooting just outside the North Plains city limits a few weeks ago. The feedback Snyder received was very favorable. The collaboration went well and Washington County was generally pleased that the North Plains Police were able to lend a hand.

7. PRESENTATION:

None Scheduled

8. PUBLIC HEARING:

None Scheduled

9. NEW BUSINESS:

A. Review of proposed salary ranges for 2014/2015 and adoption of Resolution No. 1828 approving the new salary range schedule

DeBry presented the staff report. The ranges are a modification of the current system. DeBry was recommending to move to a more typical five step range for the salary compensation scale. Lenahan stated the survey summary prepared by Milliman was not included in the packet. DeBry apologized for the missing document. Council was encouraged that if they notice the Council Packet is missing a piece of information to let staff know ahead of time and the documents can be brought to the meeting. DeBry explained what the survey included. Lenahan wanted to know who received step increases in the past year and inquired if there were particular employees in mind for who will be getting step increases in the coming year. Lenahan wanted to know where the Police Chief started on the grid. She was under the impression that he had a three step jump in the past year. She was informed that did not happen but he did receive one step increase in February, one step increase the previous February and one step increase from Don Otterman when Don was City Manager. Lenahan wanted to know how long Boyles has been employed by the City (13 years). Discussion ensued regarding the misalignment of the scale and the impact of salaries on the budget.

Lenahan wants to see the hourly employees' rates of pay and where they fall in the grid. Hatcher would like to see all the rates of pay highlighted on the salary grid to see where everyone is at a glance.

Council discussed the relationship between positions and the comparison of the top step of City Manager to that of the Public Works Director and Police Chief.

Motion by Lenahan. Seconded by Broome to continue Resolution No. 1828 to the next City Council agenda. Motion was approved unanimously.

B. Interview and adoption of Resolution No: 1829 appointing Garth Eimers to the North Plains Planning Commission

Council reviewed the application submitted by Garth Eimers and interviewed him for the

open position on the North Plains Planning Commission.

Motion by Kindel. Seconded by Demagalski to approve Resolution No. 1829 appointing Garth Eimers to the North Plains Planning Commission. Motion was approved unanimously.

C. Adopt Resolution No. 1830 extending the franchise with NW Natural Gas

DeBry presented the staff report. The franchise is set to expire May 2014. This franchise agreement is set by ordinance. The ordinance needs to be revised. The City Attorney is currently working on the revisions. NW Natural and North Plains has agreed to work on this and extend the old agreement until we negotiate a new agreement.

Motion by Kindel. Second by Demagalski to approve Resolution No. 1830 extending the NW Natural Franchise agreement.

D. Adopt Resolution No. 1831 approving use of intellectual property related to the Elephant Garlic Festival by the NPEA

DeBry presented the staff report. Under the advice of the City Attorney the agreement with the North Plains Events Association (NPEA) is proposed to be in effect for one year. This would allow the City time to research other options and to abide by bidding rules that would be in-line with a contract for a multi-year sole source professional services agreement.

Council asked clarifying questions regarding the responsibilities that are being placed on the NPEA.

Motion by Demagalski. Second by Warren to approve Resolution No. 1831 approving the limited transference of use of the City's rights in certain property relative to the North Plains Elephant Garlic Festival.

E. Discussion of donation policy for funds raised at community events

Hatcher stated that he requested this item be put on the agenda. There needs to be a policy set in place that addresses the beneficiaries of funds raised at various City sponsored events

Hatcher stated funds should not be distributed without going through the Council. At this point in time the money raised at the BBQ event has been proposed to be given to the North Plains Senior Center; the Hood to Coast/Providence Cancer Research (North Plains Police Department has a team participating in the relay); and Adventures Without Limits for scholarships to city sponsored outings.

Chief Snyder interjected that the Hood to Coast team is continually seeking out fund raising events to raise money for the Hood to Coast relay. The next event is scheduled for June 14. This is a pancake breakfast at Applebee's on 185th.

Council review the proposed policy drafted by DeBry. Discussion ensued.

Council directed staff to add this document to the Policy Handbook packet that Council has been reviewing since October. It will be approved along with the other policies.

F. Accept the hotel feasibility report prepared by Kennedy and Mohn

The City contracted with Kennedy and Mohn in February to study the feasibility of locating a hotel facility in North Plains. The Kennedy and Mohn report has been distributed to the Council.

The short summary of the report is that North Plains does not have enough demand generated by commercial businesses or recreational activities to sustain a hotel operation. A facility here could not rely on business in Hillsboro to generate demand, as several hotel projects are in planning or construction in Hillsboro. If there is a substantial increase in the number of businesses locating to the east of Jackson School Road and west of Brookwood that would be the time for North Plains to promote itself as possible location for a hotel.

No action was necessary as this was informational only.

G. Adopt Resolution No. 1832 naming the new park on Curtis Street

DeBry presented the various submissions received through the City's Facebook page. Council discussed the submissions and the reasons behind some of the suggestions. LaMorddens owned the five acres around where the park is now located. Both Kindel and Warren had information to share regarding the contributions the LaMorddens have made to this community.

Staff will e-mail the list to Council members. Council will review the names and e-mail their top four choices to DeBry. Council will make a decision at the next meeting.

Motion by Demagalski. Second by Warren to continue Resolution No.1832 to a time determined by staff. The motion was approved unanimously.

H. Review of March Check Register

Council reviewed the check register and asked clarifying questions all of which were addressed by staff.

10. **UNFINISHED BUSINESS:**
None Scheduled

11. **ORDINANCES:**

FIRST READING:

None Scheduled

SECOND READING:

A. Second reading and adoption of Ordinance No. 422— An Ordinance of the City Council of the City of North Plains, Oregon, temporarily prohibiting the location of medical marijuana facilities within the City of North Plains. First reading took place at the April 7, 2014 Council Meeting.

The First Reading of Ordinance No. 422 took place on April 7, 2014. Motion by Demagalski. Seconded by Kindel to read Ordinance No. 422 by title only for the second time.

Mayor Hatcher read Ordinance No. 422 by title only for the second time.

Motion by Demagalski. Second by Warren to adopt Ordinance No. 422. Motion was approved unanimously. Hatcher asked that we get the word out there that we are supporting this moratorium. Hatcher has informed the other mayors that North Plains is supporting this.

12. CITY MANAGER REPORT

DeBry reported an inquiry regarding the 10 acre parcel east of 307th that is for sale. It is the old hazelnut orchard. There is a potential buyer. Since only a portion of the property can be developed due to flood plain restrictions something may be able to be worked out to make this an open space. This could be a very nice addition to the trail system along McKay Creek.

The second Budget Committee meeting is on Monday, April 28, 2014. Staff will continue to review funds and provide information on different departments. There will also be information on the sheriff issue. Staff has pulled out the proposal from 2010 and the Sheriff will be asked to share the cost of providing police services at Cornelius. This will help us get a sense of what the costs are.

Hatcher asked about the status of the Senior Center remodel. He understands that they are going to be asking for more money. Kindel reported there have been many change orders throughout the process. They may be going back to the Community Development Block Grant (CDBG) office to request more funding. Kindel informed Hatcher and the Council of some of the issues that have risen during the remodel. The Center is monitoring everything as it comes up.

Kindel reported there is a bus tour scheduled on Thursday for the west side projects for all CDBG members. He and DeBry will both be participating.

13. COUNCIL REPORTS

Hatcher reported that the signage for downtown businesses at the corner of Commercial and Glencoe continues to be discussed. Cindy Hirst, Chamber of Commerce, arranged a

meeting to bring the businesses in town together to take a look at the plans. Four businesses were represented. Everyone is in agreement that the signage must include a directional arrow. Most are favorable with the top banner reading “North Plains Historical Downtown.”

Broome was asked about coordinating a dance for the teens in North Plains. It was suggested to have a DJ playing music. Broome will look into the logistics of organizing this.

An update on Debbie Brodie’s recovery was shared. DeBry stated the library is doing an outstanding job. Hatcher stated they have a good crew at the library.

14. ADVICE/INFORMATION ITEMS:

- City Wide Garage Sale on Saturday, May 3—all over North Plains
- “BBQ on the Porch” at the NP Senior Center from 10:00-2:00 on May 3.
- North Plains Community Garden Club Plant Sale at Jessie Mays from 8:00 a.m. to 4:00 p.m. at Jessie Mays Tennis Courts on Saturday, May 3.
- May Clean-Up Day at Jessie Mays at 8:00 a.m. on Saturday, May 10.
- Sandy River Rafting Trip: Register on-line. Taking off from Jessie Mays parking lot at 8:30 a.m. on Saturday, May 24.

15. ADJOURNMENT: Mayor Hatcher adjourned the meeting at 8:55 p.m.

David Hatcher, Mayor

Margaret L. Reh, Deputy City Recorder

Date approved _____

**City of North Plains
Police Department
4/30/14**

**TO: Martha DeBry, City
Manager
City Council
Department Heads**

FROM: Bill Snyder, Police Chief

SUBJ.: DEPARTMENT REPORT

- Officers arrested two North Plains residents for possession of heroin and methamphetamine.
- A North Plains resident was arrested for menacing another subject with a gun.
- A commuter was arrested on a traffic stop for littering on Hwy 26.
- A North Plains residence was taken into protective custody and transported to the hospital.
- A surge of fraud reports came in to multiple police jurisdictions this month due to fraudulent tax filings.

The following are the numbers regarding criminal reports/activity for April:

| Activity | 2014 Apr |
|-------------------------|---------------------|
| Assault | 1 |
| Fraud | 4 |
| Criminal Mischief | 3 |
| Police mental hold | 1 |
| Menacing arrest | 1 |
| Drug Investigation | 1 |
| Drug arrest | 2 |
| Child abuse | 0 |
| Littering arrest | 1 |
| Theft | 1 |
| Warrant arrest | 0 |
| Traffic related reports | 2 |
| Runaway | 1 |
| Info report | 3 |

City of North Plains - Library Department – May 2014

TO: Martha DeBry, City Manager, and to City Council Members
FROM: Debbie Brodie, Library Director
SUBJECT: DEPARTMENT REPORT

Report. Dear Councilors, at this point in my recovery from back surgery, I am finding myself farther along than anticipated, so I am happy to be able to provide you with a first-of-the-month Library report.

Artwork on Exhibit and Quilt Display. The art exhibit that will run from **May 3 to July 4** will feature patriotic quilts created by members of The Westside Quilters Guild in honor of Independence Day and the North Plains Fourth of July Colonial Celebration.

Storytimes. Children ages 0-6 are invited to participate every Wednesday at 11:30 a.m. in the children's section of the Library.

- **May 7** Storytime with Miss Marion: Mothers
- **May 14** Storytime with Children's Librarian Kay: Hats
- **May 21** Special Guest Storytime: Heidi and her chicken, Bo-Peep
- **May 28** Storytime with Youth Librarian Jackie: Hippos

Writers' Group. Share your writing projects and receive feedback from peers on **Thursday, May 1** at 6:30 p.m. New members are welcome to join. (This is not a teacher/trainer-led class.)

First Friday Flick. Join us at the Library on **May 2** at 6 p.m. to watch a G-rated, computer-animated production from Walt Disney Studios Home Entertainment. This is the fifth Tinker Bell movie and features a band of pirates led by a cabin boy named James, who will soon be known as Captain Hook. Admission is free. Seating is limited. Refreshments will be served.

Free Comic Book Day. Stop by the library on **Saturday, May 3** during open hours, 11 a.m. to 5:30 p.m., for free comics. Thanks to Diamond Comic Distributors, there will be 100 Free Comic Books to distribute to children while supplies last!

Super Saturday – The Portland Ballet. Joining us for the third year, The Portland Ballet troupe of teens will appear at the Jessie Mays Community Hall beginning at 1 p.m. on **Saturday, May 10**. Learn some moves; watch some great dancing. Free and suitable for all ages.

Friends of the Library Meeting. There will be a regular meeting of the Friends on **Monday, May 12** at the Library from 7:30-9 p.m. New members are welcome to attend.

Library Book Club. Gone Girl by Gillian Flynn will be discussed on **Wednesday, May 28** beginning at 7:30 p.m. in the Library. On the morning of his fifth wedding anniversary, Nick's wife Amy suddenly disappears. The police immediately suspect Nick. Amy's friends reveal that she was afraid of him, that she kept secrets from him. He swears it isn't true. A police examination of his computer shows strange searches. He says they aren't his. And then there are the persistent calls on his mobile phone. So what really did happen to Nick's beautiful wife? New members are welcome. Refreshments will be served.

Coming in June – Summer Reading Programs for All Ages. Watch for information about the countywide 2014 program which will launch on June 1. The general theme is **SCIENCE**. The Children's Slogan is **Fizz, Boom, Read!** The Teen Slogan is **Spark a Reaction**. The Adult Slogan is **Literary Elements**. Wacky Wednesdays will take place at the Jesse Mays Community Hall, and a full line-up of activities will be highlighted in the month to come.



CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: May 1, 2014
To: City Council
From: Martha DeBry City Manager
Subject: Metro West Emergency Medical Services Presentation

Request: Presentation by Metro West Ambulance, and request to authorize the Mayor to sign the proposed Proclamation declaring May 18 – 24, 2014, as Emergency Medical Services Week.

Background: Since 2004, the City has recognized Emergency Medical Services Week on the third week in May. Metro West Ambulance has made presentations before the City Council recognizing their continued support of emergency medical services personnel in the City of North Plains.

Fiscal Impact: There would be no fiscal impact associated with this request.

Environmental Issues: There would be no environment issues associated with this request.

Sample Motion: Move to authorize the Mayor to sign the proposed Proclamation declaring May 18 – 24, 2014, as Emergency Medical Services Week.

Attachments: Proclamation

City of North Plains, Oregon

Emergency Medical Services Week Proclamation

To designate the Week of May 18-24, 2014, as Emergency Medical Services Week

WHEREAS, emergency medical services is a vital public service; and

WHEREAS, the members of emergency medical services teams are ready to provide lifesaving care to those in need 24 hours a day, seven days a week; and

WHEREAS, access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury; and

WHEREAS, the emergency medical services system consists of emergency physicians, emergency nurses, emergency medical technicians, paramedics, firefighters, educators, administrators and others; and

WHEREAS, the members of emergency medical services teams, whether career or volunteer, engage in thousands of hours of specialized training and continuing education to enhance their lifesaving skills; and

WHEREAS, it is appropriate to recognize the value and the accomplishments of emergency medical services providers by designating Emergency Medical Services Week.

NOW, THEREFORE, the City Council of the City of North Plains hereby recognizes EMERGENCY MEDICAL SERVICES WEEK and hereby proclaims the week of May 18-24, 2014 as Emergency Medical Services Week in North Plains with the theme “EMS: One Mission One Team”, and encourages its citizens to observe this week with appropriate programs, ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Seal of the City of North Plains, Oregon, this 5th day of May, 2014.

CITY OF NORTH PLAINS, OREGON

David Hatcher, Mayor



CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: May 1, 2014
To: Mayor and City Council
From: City Manager Martha DeBry
Subject: Expiration of the Library Ground Lease Agreement and Operating Agreement with the Friends of the North Plains Public Library

Request: Council provide direction regarding the renegotiation of the ground lease and operating agreements.

Background: The Friends of the North Plains Library (a 501(c)3 founded in 2002) raised funds and secured a large donation from Oregon Canadian's founder Wayne Holm to construct the library on City property.

A "Ground Lease" agreement was entered into in August 2004 between the City of North Plains and the Friends of the North Plains Public Library (Friends). The term of that agreement was ten years, and will expire in August 2014. Subsequent to this lease, construction of the library was started. The agreement sets forth that the building is owned by the Friends of the library. The furnishings and equipment are owned by the City of North Plains. North Plains agreed to be responsible for all maintenance, repairs, alterations, replacements, changes, additions and improvements to the premises. When the lease is terminated the party operating the library will own all of the furnishing, equipment, and books. A nominal rent of \$6/year is paid to the City, which will increase to \$11 in August.

In April, 2006 the Friends and City entered into the "North Plains Public Library Operations Agreement." The term coincides with the Ground Lease. This agreement described the relationship between the Friends and the City. During the first 5 years of operations the Friends funded part of the operations and the City agreed to fund the Library in a manner that is consistent with the Standards for Oregon Public Libraries, Access and Technology from the Oregon Library Association and admission guidelines for the Washington County Cooperative Library System. Additionally, the City agreed to provide the non-exclusive right to use the meeting room and existing library shelving in the Jessie Mays Community Hall on a space available basis with no rental charge. The Friends currently use most of the lean-to portion of the Jessie Mays for storing materials for its online sales.

The Friends have an opportunity to extend the agreements for up to five additional five-year terms, and notified the City within the appropriate time frame that it would like to discuss the lease option. In June the Friends membership will be meeting to make a final determination to extend the ground lease or not. Extending the ground lease would result in the operations agreement also being extended. There is 180 termination for the Friends to terminate the agreement, but no similar language for the City to terminate the lease.

If the agreement is extended the City is obligated to continue operating the Library in a manner consistent with its current operations.

If the agreement is terminated the City would assume ownership of the building and its contents.

The Friends are open to entering into a new agreement that surrenders their interest in the building and contents, if the City agrees to provide library services with a minimum of 2,500 square foot facility for the next 15 years. This would provide the City with some flexibility in allocating public building space.

Fiscal Impact: The operating agreement obligates the City to operate the North Plains Public Library in accordance with defined standards. Termination of the agreement terminates this obligation.

Environmental Issues: None

Recommendation: None, this item is informational only to obtain Council's direction.

GROUND LEASE

DATE: ~~August~~ ^{SEPT.} 7, 2004

LESSOR: City of North Plains, Oregon
("CITY")

LESSEE: Friends of the North Plains Public Library,
an Oregon nonprofit corporation
("Lessee")

CITY leases to Lessee and Lessee leases from CITY, the real property ("Premises") described on Exhibit A attached and incorporated in this ground lease ("Lease") by this reference.

The Premises are leased for a term of ten (10) years ("Initial Term"), subject to an option to extend for up to five (5) additional five (5) year terms ("Extension Terms") as provided in Section 17, for a total of thirty-five (35) years (the Initial Term and any applicable Extension Terms shall hereinafter be referred to as the "Term"). The Term shall commence on the date which construction on the Premises begins, such date to be evidenced by the issuance of all necessary building permits by the appropriate governmental authority (the "Commencement Date").

CITY and Lessee agree as follows:

SECTION 1. PROJECT CONDITIONS

1.1 Lessee has made arrangements with a third party donor ("Donor") for Donor to construct a building ("Building") and related improvements on, under, and over the Premises which Building will be, after construction, owned by Lessee and used as a public library. The Building and related improvements are referred to in this Lease as the "Project". The Project and any future alterations, additions, replacements, or modifications during the Term of this Lease are referred to in this Lease as the "Improvements." This Lease is conditioned on Lessee and CITY determining the Project is feasible after completing a due-diligence investigation and obtaining all necessary governmental approvals, consultants' reports, financing commitments, final plans and specifications, design and construction contracts and any other approvals, loan and lease commitments, or contracts reasonably determined to be necessary including the successful negotiation and execution of an agreement between Lessee and the CITY for the operation of the Building, the successful negotiation and execution of a contract between Lessee and Donor regarding construction of the Building and the donation of the Building to Lessee by Donor (collectively, "Conditions").

1.2 The foregoing Conditions shall be for the benefit of both parties and must be satisfied or waived by both the parties in writing on or before 5:00 p.m. on April 1, 2005 or this Lease shall terminate and be of no further force and effect. In such event, neither party shall have any further liability under this Lease except for liability accrued before the date of termination.

1.3 CITY shall cooperate with Lessee in all respects in connection with satisfying the Conditions. CITY shall execute such applications and other instruments reasonably necessary to satisfying the Conditions, provided CITY shall not be required to pay any application fees or incur any other costs or liability in connection with satisfying the Conditions beyond CITY's fees for any professional advice CITY desires. CITY shall appear as a witness in any legal or administrative proceedings to the extent reasonably necessary to satisfy the Conditions.

SECTION 2. CONSTRUCTION OF THE PROJECT

2.1 CITY recognizes that Lessee will not be in direct control of the construction of the Project. Lessee agrees to use its best efforts to cause the Donor to complete the construction of the Project in accordance with all Legal Requirements and in a good and professional manner (subject to acts of God, strikes or any other reason beyond the reasonable control of Lessee) no later than 365 days after construction is commenced. For the purposes of this Lease, the term "Legal Requirements" includes all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state, and local governments, foreseen or unforeseen, ordinary as well as extraordinary. CITY shall have the right to inspect the work at reasonable intervals subject to the supervision of Lessee and in a manner that will minimize any interference with the work.

SECTION 3. RENT

3.1 Until the date set out in subsection 1.2 above is satisfied or waived by the parties, no Rent shall be payable with respect to the Premises. Lessee covenants and agrees to pay CITY, promptly when due, without notice or demand and without deduction or setoff of any amount whatsoever, \$1.00 per year as Rent for the Premises from the Commencement Date set out in Section 1.2 above; and thereafter like amounts annually on the anniversary thereof.

3.2 All amounts payable under Section 3.1 above, as well as all other amounts payable by Lessee to CITY under the terms of this Lease shall be paid at City Hall.

3.3 It is intended that the Rent provided for shall be an absolutely net return to CITY throughout the Term, free of any expense, charge or other deduction whatsoever, including all claims, demands or setoffs of any nature whatsoever.

3.4 Lessee shall also pay without notice, except as may be provided in this Lease, and without abatement, deduction, or setoff, as additional rent, all sums, impositions, costs, and other payments which Lessee in any of the provisions of this Lease assumes or agrees to pay, and in the event of any nonpayment, CITY shall have (in addition to all other rights and remedies) all the rights and remedies provided for in this Lease or by law in the case of nonpayment of the Rent.

3.5 On each fifth annual anniversary of the Commencement Date of this Lease as set out above, the Rent shall increase by \$5.00.

SECTION 4. USE

4.1 Upon completion of construction of the Project by Donor and transfer of ownership

of the Building to Lessee by Donor, Lessee shall cause the Premises to be continuously used during the Term for the operation of a community lending library open to all members of the public under the name of The North Plains Public Library. CITY acknowledges that certain ancillary library services may be operated on the Premises, including, but not limited to, vending machines and coin operated copy machines.

4.2 Lessee shall not use, occupy, permit or suffer all or any part of the Premises or the Improvements to be used or occupied:

- 1) for any unlawful or illegal business, use, or purpose;
- 2) in any such manner to constitute a nuisance of any kind;
- 3) for any purpose or in any way in violation of the certificate of occupancy, or of any Legal Requirements, including but not limited to Legal Requirements respecting Hazardous Substances; or
- 4) for any business, use, or purpose deemed by the CITY to be disreputable.

The term Hazardous Substance means any hazardous, toxic, or dangerous substance, waste, or material that is the subject of environmental protection Legal Requirements. Lessee acknowledges the term Legal Requirements includes but is not limited to all environmental protection laws.

4.3 CITY and Lessee agree that if and when any governmental or any other public authority requires the execution and delivery of any instrument to evidence or consummate dedication of any street adjoining the Premises and/or if any governmental or any other public authority or any public utility company requires the execution and delivery of any rights of way, easements and grants in, over, and along any such streets or in, over, under or through the Premises (except any that may run under the Improvements) for the purpose of providing water, gas, steam, electricity, telephone, storm and sanitary sewer or any other necessary or desirable service or facility for the benefit of the Premises or the Improvements, then both parties (without cost to either party) will execute, acknowledge and deliver any such instrument or document as may be required.

SECTION 5. LIENS

5.1 Lessee shall have no power to do any act or to make any contract that may create or be the foundation for any lien, mortgage or other encumbrance on the reversion or other estate of CITY or on any interest of CITY in the Premises.

5.2 Nothing in this Lease shall be deemed to be in any way as constituting, the consent or request of CITY, express or implied, by inference or otherwise, to any person, firm, or corporation for the performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration, or repair of or to the Premises or to the Improvements, or as giving Lessee any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that might in any way give rise to the right to file any lien against CITY's interest in the Premises or against CITY's interest, if any, in the Improvements. Lessee is not intended to be an agent of CITY for the construction of Improvements on the Premises. CITY shall have the right to post and keep posted at all reasonable times on the Premises and on the Improvements any notices that CITY shall be required to post for the protection of CITY and of the Premises and of the Improvements from any such lien. The foregoing shall not be construed to diminish or vitiate any rights of Lessee in this Lease to construct, alter or add to the Improvements.

SECTION 6. TAXES AND OTHER CHARGES

6.1 Lessee shall, to the extent it is not otherwise exempt under ORS 307.160 or other applicable statute, pay and discharge, or cause to be paid and discharged, before any fine, penalty, interest, or cost may be added for nonpayment, all real estate taxes attributable to the Building, all personal property taxes, privilege taxes, excise taxes, business and occupation taxes, gross sales charges, assessments (including, but not limited to, assessments for public improvements or benefits) and all other governmental charges of every kind and nature whatsoever (collectively, "Tax" or "Taxes"), whether or not now customary or within the contemplation of the parties and regardless of whether the same shall be extraordinary or ordinary, general, or special, unforeseen or foreseen or similar or dissimilar to any of the foregoing which, at any time during the Term, shall be or become due and payable and which shall be levied, assessed, or imposed against the Improvements or any interest of Lessee under this Lease.

6.2 Lessee shall timely apply for and obtain any and all appropriate exemptions from taxes consistent with the terms of ORS 307.162 in order for Lessee to maintain its tax-exempt status and to ensure that the Project is not subject to any property tax.

6.2 If by law any Tax is payable (or may at the option of the taxpayer be paid) in installments, Lessee may, whether or not interest shall accrue on the unpaid balance, pay the same, and any accrued interest on any unpaid balance, in installments as each installment becomes due and payable, but in any event before any fine, penalty, interest, or cost may be added for nonpayment of any installment or interest.

6.3 Any Tax relating to a fiscal period of the taxing authority, a part of which is within the Term and a part of which is before or after the Term, whether or not such Tax shall be assessed, levied, imposed, or become a lien on the Premises or the Improvements, or shall become payable, during the Term, shall be apportioned and adjusted between CITY and Lessee so that Lessee shall pay only the portions that correspond with the portion of such fiscal periods included within the Term. With respect to any Tax for public improvements or benefits that by law is payable, or at the option of the taxpayer may be paid, in installments, CITY shall pay the installments that become due and payable after the Term expires, and Lessee shall pay all such installments which become due and payable at any time during the Term.

6.4 Lessee covenants to furnish CITY, within 30 days after the last date when any Tax must be paid by Lessee, official receipts (if such receipts are then available to Lessee) of the appropriate taxing authority or other proof satisfactory to CITY evidencing payment or exemption.

6.5 Lessee shall have the right (at Lessee's expense) to contest or review the amount or validity of any Tax or to seek a reduction in the assessed valuation on which any Tax is based, by appropriate legal proceedings. Lessee may defer payment of such contested Tax on condition, however, that if such contested Tax is not paid beforehand and if such legal proceedings shall not operate to prevent the enforcement of the collection of the Tax so contested and shall not prevent the sale of the Premises or the Improvements to satisfy the same, then before instituting any such proceedings Lessee shall furnish to CITY a surety company bond, cash deposit, or other security reasonably satisfactory to CITY as security for

the payment of such Tax, in an amount sufficient to pay such Tax, together with all interest and penalties in connection with such Tax and all charges that might be assessed against the Premises or the Improvements in the legal proceedings. Upon termination of such legal proceedings or at any time when CITY determines the security to be insufficient for the purpose, Lessee shall forthwith, on demand, deliver to CITY additional security as is sufficient and necessary for the purpose, and on failure of Lessee so to do, the security originally deposited shall be applied to the payment, removal, and discharge of the Tax and the interest and penalties in connection with the Tax and the charges and costs accruing in such legal proceedings and the balance, if any, shall be paid to Lessee provided that there is then no uncured default under this Lease. In the event that such security shall be insufficient for this purpose, Lessee shall forthwith pay over to CITY an amount sufficient, together with the security originally deposited, to pay the same. Lessee shall not be entitled to interest on any money deposited pursuant to this section.

6.6 Any contest as to the validity or amount of any Tax, or assessed valuation on which such Tax was computed or based, whether before or after payment, may be made by Lessee in the name of CITY or of Lessee, or both, as Lessee shall determine, and CITY agrees that it will, at Lessee's expense, cooperate with Lessee in any such contest to such extent as Lessee may reasonably request, it being understood, however, that CITY shall not be subject to any liability for the payment of any costs or expenses in connection with any proceeding brought by Lessee, and Lessee covenants to indemnify and save CITY harmless from any such costs or expenses. Lessee shall be entitled to any refund of any such Tax and penalties or interest that have been paid by Lessee or by CITY and reimbursed to CITY by Lessee.

6.7 The parties shall use reasonable efforts to see that all communications from the governmental authorities respecting Taxes are sent directly by such authorities to CITY. CITY shall forward any and all communications to Lessee within 48 hours of CITY's receipt. The certificate, advice, receipt, or bill of the appropriate official designated by law to make or issue the same or to receive payment of any Tax or nonpayment of such Tax shall be prima facie evidence that such Tax is due and unpaid or has been paid at the time of the making or issuance of such certificate, advice, receipt, or bill.

SECTION 7. INSURANCE

7.1 Lessee shall cause Donor to maintain the insurance policies as hereinafter provided in this Section 7.1 during the period of time between the Commencement Date and the date upon which the CITY assumes responsibility for the operation of the Building pursuant to the operations agreement which is contemplated shall be negotiated and entered into between the parties after the execution of this Lease ("Operations Agreement") (such time period to be hereinafter referred to as the "Construction Period"). During the Construction Period, Lessee shall cause Donor to maintain, for the mutual benefit of Lessee and CITY casualty insurance covering loss or damage by fire, and other risks as may be embraced within all-risk insurance insuring the full replacement cost (excluding foundation and excavation cost) of the Improvements. If all-risk insurance becomes unavailable, then Lessee shall cause Donor to insure the Improvements with such coverage as is customary from time to time for comparable first-class buildings in the Portland metropolitan area. The amount of such insurance policy shall be increased from time to time as the full replacement cost of the Improvements increases. Any dispute regarding insurance matters shall be arbitrated by the parties.

7.2 Lessee shall cause Donor to maintain the insurance policies as hereinafter provided in this Section 7.2 during the Construction Period. Lessee shall cause Donor to maintain public liability insurance in respect of the Premises and the conduct or operation of its construction activities, with CITY and Lessee as additional insured, with One Million Dollars (US) (\$1,000,000.00) minimum combined single-limit coverage, or its equivalent. All casualty insurance policies shall include contractual liability, severability of interest and cross-liability endorsements.

7.3 Lessee shall deliver to CITY certificates of insurance issued by the insurance company or its authorized agent, at least 10 days before the Commencement Date. Lessee shall cause Donor to procure and pay for renewals of such insurance from time to time before the expiration and Lessee shall deliver to CITY such renewal policy or certificate at least 30 days before the expiration of any existing policy.

7.4 All insurance policies described in Section 7.1 and 7.2 shall be written as primary policies and shall not be contributing with or be in excess of the coverage that either CITY or Lessee may carry. All such insurance policies shall be issued in the name of Donor, with Lessee and CITY included in the insurance policy definition of who is an additional insured.

7.5 At the termination of the Construction Period and throughout the term of the Operations Agreement, CITY shall then maintain all insurance policies previously described herein, in accordance with the Operations Agreement. Such insurance policies shall name Lessee as an additional insured.

SECTION 8. CITY'S RIGHT TO PERFORM LESSEE'S COVENANTS

8.1 If Lessee fails to perform any act on its part to be made or performed, then CITY, after 10 days' notice to Lessee (or without notice in case of an emergency) and without waiving or releasing Lessee from any obligation of Lessee contained in this Lease or from any default by Lessee and without waiving CITY's right to take such action as may be permissible under this Lease as a result of such default, may perform any act on Lessee's part to be made or performed as provided in this Lease and may enter the Premises and the Improvements for any such purpose, and take all such action, as may be necessary.

8.2 All costs and expenses incurred by CITY, including reasonable attorney fees, in connection with the performance of any such act, together with, if Lessee does not pay the same within the 30 day period after notice from CITY, interest from the date of such incurrence by CITY of such cost and expense until paid, at the annual rate of 9%, shall constitute Additional Rent payable by Lessee under this Lease and shall be paid by Lessee to CITY on demand.

SECTION 9. COMPLIANCE WITH LEGAL REQUIREMENTS

9.1 Throughout the Term, Lessee shall promptly comply or cause compliance with all Legal Requirements that may apply to the Premises or to the use or manner of uses of the Premises or the Improvements. Lessee shall pay all costs of compliance with Legal Requirements, but Lessee shall have the right to cease occupation or use of all or any part of the Premises or the Improvements in lieu of compliance with any Legal Requirement that may require expenditures for continued use or occupation of the Premises by Lessee.

9.2 Lessee shall have the right, after prior written notice to CITY, to contest by appropriate legal proceedings, diligently conducted in good faith, in the name of Lessee or CITY or both, without cost or expense to CITY, the validity or application of any Legal Requirement subject to the following:

9.2.1 If, by the terms of any Legal Requirement, compliance may legally be delayed pending the prosecution of any such proceeding without the incurrence of any lien, charge, or liability of any kind against all or any part of the Premises or the Improvements and without subjecting Lessee or CITY to any liability, civil or criminal, for failure to comply, Lessee may delay compliance until the final determination of such proceeding; or

9.2.2 If any lien, charge, or civil liability would be incurred by reason of any such delay, Lessee nevertheless may contest the matter and delay compliance, provided that such delay would not subject CITY to criminal liability or fine, and Lessee

9.2.2.1 Furnishes to CITY security, reasonably satisfactory to CITY, against any loss or injury by reason of such contest or delay, and

9.2.2.2 Prosecutes the contest with due diligence.

9.3 CITY shall execute and deliver any appropriate papers that may be necessary to permit Lessee to contest the validity or application of any Legal Requirement, provided all the requirements of this section have been satisfied by Lessee and CITY will incur no cost.

SECTION 10. REPAIRS AND MAINTENANCE

10.1 Throughout the Term, Lessee shall have no obligations to repair or maintain the Premises or any Improvements. CITY shall be responsible for all maintenance, repairs, alterations, replacements, changes, additions, and improvements to the Premises or the Improvements, pursuant to the terms of the Operations Agreement.

10.2 Lessee assigns to CITY, without recourse, such rights, if any, as Lessee may have against any parties causing damage to the Improvements on the Premises to sue for and recover amounts expended by CITY as a result of such damage.

SECTION 11. TITLE TO IMPROVEMENTS

Title to Improvements shall be and remain in Lessee until the expiration of the Term, unless this Lease is terminated sooner as provided for herein. Upon such expiration or sooner termination, title to the Improvements shall automatically pass to, vest in, and belong to CITY without further action on the part of either party and without cost or charge to CITY. During the Term, Lessee shall be entitled for all taxation purposes to claim cost recovery deductions and the like on the Improvements.

SECTION 12. NO WASTE

Lessee shall not do or suffer any waste or damage, disfigurement, or injury to the Premises or the Improvements.

SECTION 13. INSPECTION AND ACCESS

- 13.1 CITY and its authorized representatives shall have access to the Premises and the Improvements as further provided for in the Operations Agreement.
- 13.2 Lessee, its representatives, agents, and designees shall have access to the Premises from the date of the Lease until the Commencement Date for the purposes of any inspections, tests, surveying or other similar endeavors in order to prepare for the construction of the Project.

SECTION 14. INDEMNIFICATION

14.1 During the Construction Period, CITY shall not, except to the extent liability arises as a result of CITY's conduct or inaction, in any event be liable for any injury or damage to any property or any person happening on, in or about the Premises or Improvements or any injury or damage to the Premises or the Improvements or to any property, whether belonging to Lessee or to any other person, caused by any fire, breakage, leakage, defect, or bad condition in any part or portion of the Premises or of the Improvements or from steam, gas, electricity, water, rain or snow that may leak into, issue or flow from any part of the Premises or the Improvements from the drains, pipes, or plumbing work of the same, or from the street, subsurface, or any place or quarter, or due to the use, misuse, or abuse of all or any of the Improvements or from any kind of injury that may arise from any other cause whatsoever on the Premises or in or on the Improvements, including defects in construction of the Improvements, latent or otherwise.

14.2 During the Construction Period, Lessee shall indemnify and hold CITY harmless against and from all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect and attorney fees, that may be imposed on or incurred by or asserted against CITY by reason of any of the following occurrences:

14.2.1 Any work or thing done in, on, or about all or any part of the Premises or the Improvements by Lessee or any party other than CITY;

14.2.2 Any use, nonuse, possession, occupation, condition, operation, maintenance, or management of all or any part of the Premises or the Improvements or any adjacent alley, sidewalk, curb, vault, passageway, or space; or

14.2.3 Any negligence on the part of Lessee or any of its agents, contractors, servants, employees, licensees or invitees;

14.2.4 Any accident, injury, or damage to any person or property occurring in, on, or about the Premises or the Improvements up to the limits of Donor's liability insurance coverage; or

14.2.5 Any failure on the part of Lessee to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations contained in this Lease on its part to be performed or complied with.

14.3 In case any action or proceeding is brought against CITY by reason of any such claim which occurred during the Construction Period, Lessee upon written notice from CITY shall, at Lessee's expense, defend such action or proceeding. CITY shall not make any claim against Lessee with respect to any of such risks as to which Lessee has furnished CITY with insurance policies or certificates of insurance evidencing coverage of such risks unless and until the insurer fails or refuses to defend and/or pay all or any part of a third-party claim.

SECTION 15. ASSIGNMENT AND SUBLETTING

15.1 Lessee shall not sell, assign, or in any other manner transfer this Lease or any interest in this Lease or the estate of Lessee under this Lease without the prior consent of CITY, which consent shall not be unreasonably withheld, conditioned or delayed.

15.2 Lessee shall have the right to sublet portions of the Premises and/or of the Improvements at any time and from time to time, but only for a term or terms that shall expire before the expiration of the Term, and provided that each such sublease shall be in writing and shall be subject and subordinate to the rights of CITY under this Lease.

SECTION 16. DEFAULT; REMEDIES

16.1 The occurrence of any one or more of the following events of default constitutes a breach of this Lease by Lessee:

16.1.1 If Lessee defaults in the payment of Rent due and payable by Lessee, and such default continues for 30 days after CITY has given Lessee a notice specifying the same; or

16.1.2 If Lessee (whether by action or inaction) is in default of any of its obligations under this Lease (other than a default in the payment of Rent by Lessee) and such default continues and is not remedied within 60 days after CITY has given Lessee a notice specifying the same, or, in the case of a default that can be cured but not within a period of 60 days, if Lessee has not (1) commenced curing such default within such 60- day period; (2) notified CITY of Lessee's intention to cure the default; or (3) continuously and diligently completed the cure of the default.

16.2 Upon the occurrence of an event of default, CITY may exercise any one or more of the remedies set forth in this section or any other remedy available under applicable law or contained in this Lease:

16.2.1 CITY or CITY's agents and employees may immediately or at any time thereafter reenter the Premises either by summary eviction proceedings or by any suitable action or proceeding at law, or by force or otherwise, without being liable to indictment, prosecution, or damages, and may repossess the same, and may remove any person from the Premises, to the end that CITY may have, hold, and enjoy the Premises.

16.2.2 CITY may relet the whole or any part of the Premises from time to time, either in the name of CITY or otherwise, to such lessees, for such terms ending before, on or after the expiration date of the Lease Term, at such rentals and on such

other conditions (including concessions and free rent) as CITY may determine to be appropriate. To the extent allowed under Oregon law, CITY shall have no obligation to relet all or any part of the Premises and shall not be liable for refusal to relet the Premises, or, in the event of such reletting, for refusal or failure to collect any rent due on such reletting; and any action of CITY shall not operate to relieve Lessee of any liability under this Lease or otherwise affect such liability. CITY at its option may make such physical changes to the Premises as CITY, in its sole discretion, considers advisable and necessary in connection with any such reletting or proposed reletting, without relieving Lessee of any liability under this Lease or otherwise affecting Lessee's liability.

16.2.3 Whether or not CITY retakes possession or relets the Premises, CITY has the right to recover its damages, including without limitation all lost rentals, all legal expenses, all costs incurred by CITY in restoring the Premises or otherwise preparing the Premises for reletting, and all costs incurred by CITY in reletting the Premises.

16.3 No failure by CITY to insist on the strict performance of any agreement, term, covenant, or condition of this Lease or to exercise any right or remedy consequent upon a breach, and no acceptance of full or partial Rent during the continuance of any such breach, constitutes a waiver of any such breach or of such agreement, term, covenant, or condition. No agreement, term, covenant, or condition to be performed or complied with by Lessee, and no breach by Lessee, shall be waived, altered, or modified except by a written instrument executed by CITY. No waiver of any breach shall affect or alter this Lease, but each and every agreement, term, covenant, and condition of this Lease shall continue in full force and effect with respect to any other then-existing or subsequent breach.

16.4 Each right and remedy provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by CITY or Lessee of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the party in question of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

SECTION 17. OPTION TO EXTEND LEASE

The Initial Term may be extended, at the option of Lessee, for up to five (5) additional periods of five (5) years each. Such option(s) shall be exercised, if at all, by Lessee giving written notice to CITY not more than 12 months nor less than 6 months before the Initial Term or other applicable term expires. Such Extension Term shall be on the same terms, covenants, and conditions, with the same annual Rent (subject to the increase provided for in Section 3.5) as elsewhere provided in this Lease for the Initial Term. Payment of all additional charges required to be made by Lessee as provided in this Lease for the Initial Term shall continue to be made during any Extension Term(s).

SECTION 18. CITY'S RIGHT TO ENCUMBER

CITY, during the Term, may encumber, mortgage, pledge, or otherwise hypothecate its fee simple interest in the Premises.

SECTION 19. NONMERGER

There shall be no merger of this Lease, or of the leasehold estate created by this Lease, with the fee estate in the Premises by reason of the fact that this Lease, the leasehold estate created by this Lease, or any interest in this Lease or in any such leasehold estate, may be held, directly or indirectly, by or for the account of any person who shall own the fee estate in the Premises or any interest in such fee estate, and no such merger shall occur unless and until all persons at the time having an interest in the fee estate in the Premises and all persons having an interest in this Lease, or in the leasehold estate created by this Lease, shall join in a written instrument effecting such merger and shall duly record the same.

SECTION 20. QUIET ENJOYMENT

Lessee, on paying the Rent and observing and keeping all covenants, agreements and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Premises during the Term without hindrance or molestation by anyone claiming by, through, or under CITY as such, subject however to the exceptions, reservations and conditions of this Lease.

SECTION 21. SURRENDER

21.1 Except as otherwise provided in this Lease, Lessee shall on the last day of the Initial Term, or if extended, the applicable Extension Term, surrender and deliver up the Premises and all Improvements to the possession and use of CITY without fraud or delay, free and clear of all lettings and occupancies and free and clear of all liens and encumbrances other than those, if any, presently existing or created or suffered by CITY, without any payment or allowance whatever by CITY on account of any Improvements on the Premises.

21.2 When furnished by or at the expense of Lessee or any sublessee, furniture, fixtures, and equipment may be removed by Lessee at or before this Lease terminates, provided, however, that the removal will not injure the Premises or the Improvements or necessitate changes in or repairs to the same. Lessee shall pay or cause to be paid to CITY the cost of repairing any damage arising from such removal and restoration of the Premises and/or the Improvements to their condition before such removal.

21.3 Any personal property of Lessee or any sublessee that shall remain on the Premises after the termination of this Lease and the removal of Lessee or such sublessee from the Premises may, at the option of CITY, be deemed to have been abandoned by Lessee or such sublessee and may either be retained by CITY as its property or be disposed of, without accountability, in such manner as CITY may see fit, or if CITY gives written notice to Lessee to such effect, such property shall be removed by Lessee at Lessee's sole cost and expense. If this Lease terminates early for any reason other than the default of Lessee then, anything to the contrary notwithstanding, Lessee or any sublessee shall have a reasonable time thereafter to remove its personal property.

21.4 CITY shall not be responsible for any loss or damage occurring to any property owned by Lessee or any sublessee.

21.5 The provisions of this section shall survive any termination of this Lease.

SECTION 22. INVALIDITY OF PARTICULAR PROVISIONS

If any term or provision of this Lease or the application of the Lease to any person or circumstances is, to any extent, invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

SECTION 23. CITY'S REPRESENTATIONS, WARRANTIES AND INDEMNITY

CITY has no notice of any liens to be assessed against the Premises. CITY has no notice from any governmental agency of any violation of Legal Requirements relating to the Premises. The Premises are in compliance with all applicable Legal Requirements pertaining to and affecting the Premises, including but not limited to all environmental protection Legal Requirements respecting Hazardous Substances as defined in Section 4 above. The execution, delivery, and performance of this Lease by CITY will not result in any breach of, or constitute any default under, or result in the imposition of, any lien or encumbrance on the Premises under any agreement or other instrument to which CITY is a party or by which CITY or the Premises might be bound. There are no legal actions, suits, or other legal or administrative proceedings, including condemnation cases, pending or threatened, against the Premises, and CITY is not aware of any fact that might result in any such action, suit, or other proceeding. CITY has no information or knowledge of any change contemplated in any applicable Legal Requirements, or any action by adjacent landowners, or natural or artificial conditions on the Premises that would prevent, limit, impede, or render more costly Lessee's Project. To the best of CITY's knowledge, there is no significant adverse fact or condition relating to the Premises or Lessee's Project that has not been specifically disclosed in writing by CITY to Lessee, and CITY knows of no fact or condition of any kind or character whatsoever that adversely affects such intended use of the Premises by Lessee. Lessee's Project is a conforming use under the zoning classification of the Premises by the applicable zoning code. CITY has no knowledge of any fact, action, or proceeding, whether actual, pending, or threatened, that could result in a modification or the termination of such zoning. All statements made here are true and correct, and the information provided and to be provided by CITY to Lessee relating to this Lease does not and will not contain any statement that, at the time and in the light of circumstances under which it is made, is false or misleading with respect to any material fact, or omits to state any material fact (which is known, or in the exercise of reasonable diligence by CITY, should have been known) necessary in order to avoid making any statement contained in this section false or misleading in any material respect. The representations and warranties in this Lease shall terminate upon the expiration of this Lease, and such representations or warranties shall thereafter be without force or effect, except as to any claim with respect to which notice has been given to CITY before the expiration of the Term. CITY shall indemnify and hold Lessee harmless from and against any and all damage resulting from any material misrepresentation or breach of warranty. If any claim is asserted against Lessee that would give rise to a claim by Lessee against CITY for indemnification under the provisions of this section, then Lessee shall promptly give written notice to CITY concerning such claim and CITY shall, at no expense to Lessee, defend the claim.

SECTION 24. FORCE MAJEURE

If the performance by either of the parties of their respective obligations under this Lease (excluding monetary obligations) is delayed or prevented in whole or in part by any Legal Requirement (and not attributable to an act or omission of the party), or by any acts of God, fire or other casualty, floods, storms, explosions, accidents, epidemics, war, acts of terrorism or bioterrorism, civil disorders, strikes or other labor difficulties, shortage or failure of supply of materials, labor, fuel, power, equipment, supplies or transportation or by any other cause not reasonably within the party's control, whether or not specifically mentioned, the party shall be excused, discharged, and released of performance to the extent such performance or obligation (excluding any monetary obligation) is so limited or prevented by such occurrence without liability of any kind. If such a condition excusing performance of a party continues for more than 30 days, then the other party may terminate this Lease by notice to the excused party.

SECTION 25. NOTICES

25.1 Any notice required or permitted by the terms of this Lease shall be deemed given if delivered personally to an officer of the party to be notified or sent by United States registered or certified mail, postage prepaid, return-receipt requested, and addressed as follows:

If to CITY:

City Manager
31360 NW Commercial Street
North Plains, Oregon 97133

If to Lessee:

Friends of North Plains Public Library
PO Box 525
North Plains, OR 97133

or such other addresses as may be designated by either party by written notice to the other. Except as otherwise provided in this Lease, every notice, demand, request, or other communication shall be deemed to have been given or served on actual receipt.

25.2 Notwithstanding anything in this section to the contrary, any notice mailed to the last designated address of any person or party to which a notice may be or is required to be delivered pursuant to this Lease or this section shall not be deemed ineffective if actual delivery cannot be made due to a change of address of the person or party to which the notice is directed or the failure or refusal of such person or party to accept delivery of the notice.

SECTION 26. ARBITRATION

26.1 In any case in which it is provided by the terms of this Lease that any matter shall be determined by arbitration or appraisal, such arbitration or appraisal shall be conducted in the manner specified in this section.

26.2 The party desiring such arbitration shall give written notice to that effect to the other party and shall in such notice appoint a disinterested person of recognized competence in the field involved as arbitrator on its behalf. Within 15 days thereafter, the other party may by written notice to the original party appoint a second disinterested person of recognized competence in such field as arbitrator on its behalf. The arbitrators thus appointed shall appoint a third disinterested person of recognized competence in such field, and the three

arbitrators shall, as promptly as possible, determine such matter, provided, however, that:

26.2.1 If the second arbitrator is not appointed pursuant to the above procedure, then the first arbitrator shall proceed to determine such matter; and

26.2.2 If the two arbitrators appointed by the parties are unable to agree, within 15 days after the second arbitrator is appointed, on the appointment of a third arbitrator, they shall give written notice of such failure to agree to the parties and, if the parties fail to agree on the selection of the third arbitrator within 15 days after the arbitrators appointed by the parties give notice, then within 10 days thereafter either of the parties on written notice to the other party may request such appointment by the presiding judge of the Washington County, Oregon Circuit Court.

26.3 CITY and Lessee shall each be entitled to present evidence and argument to the arbitrators. The determination of the majority of the arbitrators shall be conclusive on the parties, and judgment on the same may be entered in any court having jurisdiction over the parties. The arbitrator(s) shall give written notice to the parties stating the arbitration determination, and shall furnish to each party a signed copy of such determination. Arbitration proceedings shall be conducted pursuant to ORS 33.210-33.340 and the rules of the American Arbitration Association, except as provided otherwise. If any such dispute involves a determination of value or of a fixed amount of money and if a majority of the arbitrators do not agree, then, instead of such arbitration, either party shall be entitled to seek a judicial determination of the matter in issue in a court of competent jurisdiction.

26.4 Each party shall pay the fees and expenses of the arbitrator appointed by such party and one-half of the fees and expenses of the third arbitrator or appraiser, if any.

26.5 Anything contained in this Lease to the contrary notwithstanding, whenever Lessee is required to make any payment or to perform any act or thing at a specified time or within a specified time limit under the provisions of this Lease, and any such payment or performance is subject to arbitration under this section, such time or time limit, as the case may be, shall be extended by the period consumed by the institution, conduct, and prosecution to final conclusion of any arbitration or appraisal concerning or relating to such payment or performance.

SECTION 27. ENTIRE AGREEMENT

This Lease contains the entire agreement between the parties and, except as otherwise provided, can be changed, modified, amended, or terminated only by an instrument in writing executed by the parties. It is mutually acknowledged and agreed by Lessee and CITY that there are no verbal agreements, representations, warranties, or other understandings affecting this Lease, other than the contemplated Operations Agreement still to be negotiated between the parties.

SECTION 28. APPLICABLE LAW

This Lease shall be governed by, and construed in accordance with, the laws of the state of Oregon.

SECTION 29. BROKERAGE

CITY and Lessee represent to each other that they have not employed any brokers in negotiating and consummating the transaction set forth in this Lease, but have negotiated directly with each other.

SECTION 30. COVENANTS TO BIND AND BENEFIT PARTIES

The covenants and agreements contained in this Lease shall bind and inure to the benefit of CITY, its successors and assigns, and Lessee, its successors and assigns.

SECTION 31. CAPTIONS

The captions of this Lease are for convenience and reference only, and in no way define, limit, or describe the scope or intent of this Lease or in any way affect this Lease.

SECTION 32. TERMINATION OF LEASE

Lessee shall have the right to terminate this Lease upon one hundred and eighty (180) days written notice to the CITY in the following events: a) funding is not available to operate the Building as a library; b) demand exceeds the capacity of the Building and a larger library is constructed in the community as a replacement; or c) the Building must be replaced due to age and condition. Upon such termination, Lessee shall transfer ownership of the Building to the CITY.

SECTION 33. STATUTORY WARNING

“THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.”

IN WITNESS WHEREOF, Lessee and CITY have caused this Lease to be executed by their duly authorized officers.

CITY:
Donald H. Otterman
DONALD H. OTTERMAN
CITY MANAGER
Lessee:

Friends of the North Plains Public Library,
an Oregon nonprofit corporation
By: Diane Van Grunsden
Printed Name: Diane Van Grunsden
Title: President

EXHIBIT A
Insert Legal Description

A tract of land being a portion of Lots 1, 2 and 16, Block 24, "North Plains", situated in the S.E. ¼ of Sec. 1, T.1N., R.3W., W.M., City of North Plains, Washington County, Oregon, being more particularly described as follows:

Beginning at the northeasterly corner of Lot 1, Block 24, "North Plains", said corner being at the intersection of the southerly right-of-way line of N.W. Commercial Ave. and the westerly right-of-way line of N.W. 313th St.; thence S07°41'36"W 200.00 feet along the easterly line of Block 24 and the westerly right-of-way line of N.W. 313th St. to the southeasterly corner of Lot 16, Block 24, said corner being at the intersection of the northerly right-of-way line of N.W. Kaybern Ave. and the westerly right-of-way line of N.W. 313th St.; thence N82°18'04"W 46.50 feet along the southerly line of said Lot 16 and the northerly right-of-way line of N.W. Kaybern Ave; thence leaving said lot and right-of-way line N07°41'36"E 100.00 feet; thence N82°18'04"W 33.50 feet; thence N07°41'36"E 100.00 feet to a point on the northerly line of Lot 2, Block 24 and the southerly right-of-way line of N.W. Commercial Ave; thence S82°18'00"E 80.00 feet along the northerly line of Block 24 and said southerly right-of-way line to the **Point of Beginning**.

Said tract of land contains 12,650 square feet.

MEMORANDUM OF UNDERSTANDING

CITY OF NORTH PLAINS and FRIENDS OF THE NORTH PLAINS PUBLIC LIBRARY

This Memorandum of Understanding is entered into this ~~7th~~^{5th} day of ~~August~~^{SEPTEMBER}, 2004 by and between the City of North Plains, an Oregon municipal corporation (hereinafter CITY) and the Friends of the North Plains Public Library, a duly registered Oregon public benefit organization (hereinafter FRIENDS).

RECITALS

WHEREAS, FRIENDS is currently in discussion with Wayne Holm, a North Plains businessman, (hereinafter Donor) who has expressed a willingness to donate the construction of an approximately 2500 square foot structure which would be the home for a community library (hereinafter Library) for the citizens of North Plains and its environs, which structure will be owned by FRIENDS upon completion of construction by Donor. FRIENDS is currently negotiating an agreement (hereinafter Construction Agreement) between itself and Donor for donation of the construction of the Library (which construction includes the donation of the building materials and the labor involved in the actual construction as well as certain additional related costs). The Construction Agreement is expected to be completed sometime prior to September 30, 2004. The Library is expected to be open not earlier than June 30, 2005.

WHEREAS, the Library is to be located on City-owned property. CITY is leasing City land to FRIENDS for the location of the Library, pursuant to a ground lease dated as of even date herewith between FRIENDS and CITY (hereinafter Ground Lease).

WHEREAS, FRIENDS does not currently have (nor is it expected to have at the time the Library is to open) the resources necessary for the operation and full staffing of the Library and as a result CITY and FRIENDS intend to enter into an agreement for operation of the Library by the CITY (hereinafter Operations Agreement), whereby CITY provides the staff, materials and services, and the operating funds for the day-to-day operation of the Library. The specific terms of such Operating Agreement will be developed over the next several months and it is anticipated that a final agreement will be in place on or about April 1, 2005.

WHEREAS, FRIENDS intend on applying for a number of grants from non-governmental sources to cover construction and related costs not otherwise being covered by the Donor and as a condition of its application to these non-governmental sources, FRIENDS believe it appropriate for CITY and FRIENDS to enter into this memorandum of understanding (hereinafter MOU) setting out in the broadest terms what CITY's and FRIENDS obligations will be in operating the library and CITY is willing to enter into such a MOU.

NOW THEREFORE, until the Operations Agreement is agreed upon, executed and signed by both CITY and FRIENDS, the following sets out the general understanding of CITY and FRIENDS as to what the division of tasks would be in any agreement agreed to by the parties. Notwithstanding the foregoing, it is understood that the setting out of the duties below in no way limits the ability of the parties in the future to expand, adjust, modify and/or eliminate those duties in the final Operations Agreement between them should that prove to be necessary or appropriate. Based on the foregoing, the general understanding of CITY and FRIENDS is as follows:

1. GENERAL TERMS.

The expiration date of the Operations Agreement shall coincide with the term of the Ground Lease and shall provide for similar extension periods. However, the term may need to be adjusted subject to the requirements of Washington County Cooperative Library Services.

2. CITY DUTIES

Once the Library is built and is available for occupancy and use by the public, CITY will be responsible for and in charge of all day-to-day operations of the Library. As used in the foregoing "responsible for" includes responsibility associated with payment of the costs for staffing, utilities, insurance (fire/casualty loss and liability) and other materials (i.e., books, art work, audio materials, visual materials and information services) and services deemed to be necessary for the effective operation of a modern community public library. CITY shall also be responsible for all maintenance and repairs of the Library and the surrounding landscape and parking areas. CITY shall provide FRIENDS with appropriate indemnifications for operating issues and shall name FRIENDS as an additional insured on the required CITY insurance policies.

2. FRIENDS DUTIES

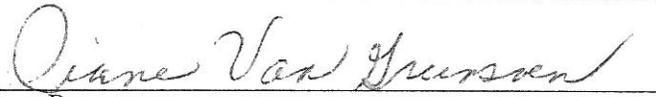
Prior to occupancy of the Library and thereafter, FRIENDS shall be responsible for over-all policy control and strategic planning related to the Library's operation. FRIENDS will have the authority to make any rules and regulations governing the use of the Library facilities (including materials purchases, hours of operation, prohibited conduct, etc.) in order to implement their policies and strategic plan. FRIENDS shall provide CITY with appropriate indemnifications for policy-related issues. FRIENDS will be responsible for coordinating volunteer staff with the CITY for the Library. FRIENDS shall continue to seek contributions to FRIENDS which sums would then be used by FRIENDS to defray costs for materials for the Library, including, but not limited to costs associated with the purchase of books, art work, audio materials, visual materials and information services.

IT IS SO AGREED:

CITY OF NORTH PLAINS

FRIENDS OF NORTH PLAINS PUBLIC LIBRARY





By:
Title: CITY MANAGER

By:
Title: President

NORTH PLAINS PUBLIC LIBRARY OPERATIONS AGREEMENT

City of North Plains and Friends of the North Plains Public Library

This Operations Agreement (Agreement) is effective as of April 3, 2006, (Effective Date), between **The City of North Plains**, an Oregon municipal corporation (City), and **Friends of the North Plains Public Library**, an Oregon public benefit corporation (Friends).

RECITALS

WHEREAS, Friends has entered an agreement with a donor who has agreed to build a building to be used as a public library located at 31334 NW Commercial Street, North Plains, Oregon (New Library). The donor has agreed to donate the building to Friends, who will own the new building and arrange for its operation as a public library.

WHEREAS, Friends entered a ground lease (Lease Agreement) on August 16, 2004, with the City to lease the land on which the New Library is located.

WHEREAS, the construction of the New Library is underway and Friends and the City now wish to determine the specifics of how the New Library will be operated and funded.

WHEREAS, the New Library is a public library that benefits the community of North Plains, and Friends and the City agree to cooperate to fund and operate the New Library

WHEREAS, for the New Library to provide library services at the desired level, the City and Friends will each need to contribute funds over several years.

WHEREAS, Friends and the City intend to develop the New Library to meet the standards set by the Washington County Cooperative Library Services (WCCLS) for a Level 5 Designation.

WHEREAS, during the initial operation of the New Library, Friends will provide supplemental funding for operations and over time the City will assume financial responsibility for continued operations.

WHEREAS, Friends and the City intend that after the New Library is a member of WCCLS, Friends will fund additional improvements in New Library services rather than ongoing operations.

WHEREAS, the parties believe that Agreement serves the interests of the North Plains Community residents.

WHEREAS, the purpose of this Agreement is to specify the goals, timelines and financial responsibilities of the parties.

AGREEMENT

A. TERM

The initial term of this Agreement commences on the Effective Date and continues until August 17, 2014, unless earlier terminated as provided below. If Friends may extend the initial term of the Lease Agreement under Section 17 of that agreement, then the term of this Agreement may be also extended for the same term. The terms, covenants and conditions of this Agreement will be reviewed and modified as necessary at the time of extension. Friends may terminate this Agreement at any time during the initial term or any extension by giving at least 180 days written notice to the City.

B. EQUIPMENT AND FURNISHINGS

During this Agreement, Friends owns the New Library building and will donate all furnishings and equipment to the City at the time this Agreement takes effect. At the termination of this Agreement, all equipment, furnishing and books will become the property of the party that continues to operate the library. Whichever party does not continue to operate the library will provide the other party with bills of sale for all such property.

C. GOALS

The City and Friends agree it is their goal for the New Library to meet the standards set by the Washington County Cooperative Library Services (WCCLS) for a Level 5 Designation (Level 5). The City will work with WCCLS to ensure that this goal is met by July of 2007. The City will set standards for hours and days of operation, staffing levels, books per capita, children's services, reference services, and computer access. The following standards, and any others as mutually agreed, will be used to obtain the Level 5 Designation:

- Standards for Oregon Public Libraries, 2000, Oregon Library Association (<http://www.olaweb.org/pld/standards.html>)
- The recommended revisions for Access and Technology, Oregon Library Association (http://www.olaweb.org/pld/rev_standards.html)
- Admission Guidelines, Washington County Cooperative Library System, a copy of which are attached as Exhibit A.

D. LIBRARY BOARD

The City library is a public library under ORS 357.417. As authorized by ORS 357.465, the City public library has a library board. The library board has five members appointed by the City Council who exercise the general powers stated in ORS 357.490. The library board was created

by and operates under authority of North Plains Municipal Code chapter 1.25. The Friends Board of Directors may nominate candidates for consideration by the City Council when it makes appointments to the library board.

E. FINANCIAL RESPONSIBILITIES

For the first five years of this Agreement, the City and Friends agree to finance the operations of the New Library, as described below. After this five-year period, the City will assume full financial responsibility for operating the New Library. The City will in good faith attempt to allocate monies sufficient to operate the New Library consistent with the terms of this Agreement. Friends agrees to fund certain initial operations to assist in the effort of obtaining a Level 5 Designation.

F. ROLLING FINANCIAL PLAN

During this Agreement, the City and Friends will prepare and maintain a rolling five-year service and financial plan for the development of the New Library that accounts for the ongoing operational costs of the New Library according to a baseline level of service (Rolling Financial Plan). The ongoing operational costs of the New Library include, but are not limited to, staffing, staff training, building maintenance, utilities, insurance, legal services, telecommunications, database support, library books and other materials, office supplies, computer equipment, office machine maintenance, and miscellaneous services. The parties acknowledge that the ongoing operational costs will increase as efforts are made to obtain and maintain a Level 5 Designation. Throughout this Agreement, the City-Friends ratio of funding for ongoing operational costs, expressed in percentages, is as follows:

| Year | City | Friends |
|-------------|-------------|----------------|
| FY 06/07 | 60 | 40 |
| FY07/08 | 70 | 30 |
| FY 08/09 | 80 | 20 |
| FY 09/10 | 90 | 10 |

To the best of its abilities, Friends will pay to the City each December and June one-half of its share of the operational costs for that fiscal year.

Friends and the City will seek grants and other funds for the operation, maintenance improvement and benefit of New Library. However, grants are limited and are often limited in use for a specific purpose. The parties do not intend to rely on grant funds for ongoing operational expenses. The City and Friends may seek donations from individuals, foundations, and corporations to raise funds for the ongoing operations in amounts consistent with the Rolling Financial Plan. Unless otherwise provided, funds given by the Friends to the City may be used for operational costs.

G. BUDGETS

The Library Board, Library Director and Friends Board of Directors will review and revise the Budget and Rolling Financial Plan each year. Each year the Library Board and Library Director shall develop a budget consistent with the Rolling Financial Plan. The annual budget will be presented to the City Budget Committee for review and recommendation before the budget is considered and approved by the City Council. If costs of operating the New Library exceed the approved budget each year, the City will pay the additional costs.

H. 2005-2006 BUDGET

The City and Friends have agreed upon the estimated budget contained in Exhibit B for the New Library for the 2005-2006 fiscal year.

I. PAYMENTS

The City is responsible for directly paying all of the costs associated with the New Library budget each year. To the best of its abilities, Friends will contribute its share of the budget each fiscal year in two annual installments payable in the months of December and June.

J. PERSONNEL

The City will perform background checks of all volunteers and staff working at the New Library. The City is responsible for complying with Oregon worker's compensation legal requirements.

Library Employees

The Library Director (Director) and any other library employees will be City employees. The City is responsible for hiring, supervising and evaluating all employees.

K. JESSIE MAYS COMMUNITY HALL

During this Agreement, the City grants Friends the non-exclusive right to use the meeting room and existing library shelving in the Jessie Mays Community Hall on a space available basis with no rental charge.

L. MAINTENANCE; UTILITIES

The City is responsible for all maintenance, repairs, alterations, replacements, changes, additions and improvements to the New Library. This includes the building, landscaping and parking lot. The City will pay all utilities for the operation of the New Library and the utility accounts will be in the name of the City.

M. TAXES AND OTHER CHARGES

All taxes and other governmental charges related to the New Library building will be paid in accordance with Section 6 of the Lease Agreement.

N. INSURANCE

Friends will be responsible for maintaining casualty insurance for replacement value of the New Library building, property liability insurance equal to the minimum required by state law and include the City as additional insured. The City will reimburse Friends for the cost of this insurance. The City will provide casualty insurance for replacement value of the furnishings and equipment in the New Library. The City will maintain liability insurance for the City's operation of the New Library in an amount of not less than the liability limits of the Oregon Tort Claims Act and attempt to include Friends as additional insured.

O. INDEMNIFICATION

Each party agrees to indemnify, defend and hold harmless the other party, their officers, agents, and employees from every claim, action or liability, including without limitation all consequential costs, expenses, and damages arising from, or connected with, each party's operations or services, whether or not resulting from the negligence of the party, its agents, or its employees.

P. ASSIGNMENT

Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party.

Q. NOTICES

Any notice or communication that either party desires or is required by this Agreement is deemed given if sent by United States registered or certified mail, postage prepaid, return-receipt requested, and addressed as follows:

If to City:

City Manager
31360 NW Commercial Street
North Plains, OR 97133

If to Friends:

Friends of North Plains Public Library
PO Box 525
31334 NW Commercial Street
North Plains, OR 97133

or such other addresses as may be designated by either party by written notice to the other. Every notice or communication is deemed given or served on actual receipt.

R. APPLICABLE LAW

This Agreement is governed by, and construed in accordance with the laws of Oregon.

S. AMENDMENT OF THIS AGREEMENT

The parties agree to act at all times in the spirit of the Agreement and recognize that they will need to be flexible and willing to make periodic adjustments to keep with the intent of the Agreement. The parties will at least annually review this Agreement and revise its terms, timelines, or financial plans as appropriate. The parties agree to memorialize any modifications, adjustments or amendments of this Agreement in writing.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

CITY OF NORTH PLAINS

FRIENDS OF THE NORTH PLAINS PUBLIC LIBRARY

By: *Dinah Kitterman*
Its: City Manager
Date: 4/17/06

By: *Deane Van Grunsen*
Its: President
Date: 4/17/06

EXHIBIT A

Admission Guidelines, Washington County Cooperative Library System

EXHIBIT B
2005-2006 BUDGET



CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: April 30, 2014
To: City Council
From: Martha DeBry, City Manager
Subject: McKay Fields Subdivision

Request: Council consider making an offer to purchase 3.49 acres adjacent to McKay Fields Subdivision.

Background: McKay Fields subdivision was originally approved in 2007, and updated in 2013. As a condition of the 2013 approval the developer must execute the following condition:

- 26. Prior to final plat approval, the applicant shall enter into an agreement with the City providing for dedication of the 3.49 acre portion of the McKay Creek floodplain identified on the preliminary subdivision plan. Such dedication may provide for fee offsets for the value of the dedicated land area based on a City-approved appraisal. The agreement shall also provide for the applicant to make appropriate improvements to the dedicated area for use as a public park and shall provide for irrigation of any areas identified to be improved with grass and/or recreational fields. If an agreement cannot be reached the usable park area may be owned and maintained by the HOA, provided an easement for walking trails is provided to the City as required by the City Parks Plan and Community Trails Plan, and is acceptable to the City as to form.

An appraisal was completed on the property and estimates the fair market value of the property at \$24,430. This appraisal was forwarded to Council on April 28.

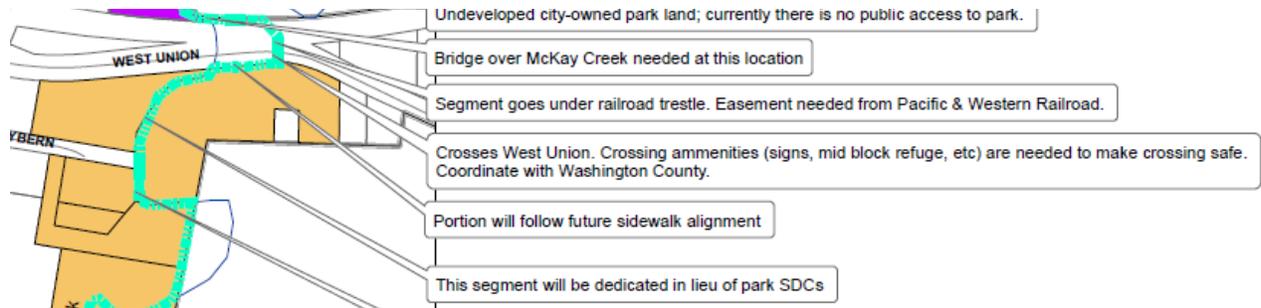
The City has a few options:

- 1. Make an offer on the property and purchase it with cash from the Park Capital Fund.
- 2. The City can offer reimbursement of Park SDC credits to purchase the property. This only delays the payment to the property owner.



3. Allow the property to fall under the ownership of a home owners association (HOA) and use only the easement for walking trails.

The City's Trails plan includes the McKay Creek Greenway Trail. At this time the City does not have funding set aside for the trail. A natural dirt path could be used until a preferred design and funding is available. The [Trails Plan Appendix B](#) states that "This segment will be dedicated in lieu of park SDC's." A dedication in lieu of fees is not possible as the park is undeveloped. However the City can purchase the property or provide credits towards services which are funded from SDC's.



The advantage of acquiring the property is that the City will have full use of the property for municipal purposes. As a practical matter this should remain an open space, to be enjoyed by any member of the public. The City would need to perform maintenance, which would be cutting grasses if it remains in an undeveloped state. A portion of the parcel in the south east portion of the lot can be used more actively with play equipment or picnic tables. Because this subdivision will be isolated from the rest of the City a small park may be desirable in the area. (A link to the [Parks Master Plan](#) which does not identify the need for a park near West Union east of Glencoe.)

If an HOA is formed it would assume ownership of the open space, and it would be responsible for the maintenance of the same. The public would have limited access to the property for trails only. A risk associated with an HOA is that some fail to raise revenues to properly maintain properties owned in common. An HOA with 33 member households would need to assess a minimum of one to two hundred dollars a year to maintain the space. If the area is not properly maintained the City can only compel maintenance for fire safety.

In recent weeks, the City has been advised about the potential development of a 10 acre parcel to the south of the Pacific Street, which could result in the dedication/acquisition of additional easement/land to complete the McKay Creek trail. Easements or acquisition of two additional parcels would be needed to complete the trail.

Timing: The McKay Fields properties are likely to complete escrow in the coming weeks. JT Roth is intending to develop the property, however it has not committed to purchasing the property from West Union LLC at this point. It is likely representatives of the two groups will be present at the Council meeting on May 5.

Price: Oregon law requires that offers be informed by the fair market value of a parcel, which in this case is \$24,430. Staff would recommend this price less the cost of the appraisal for the property \$3,800 for a total of \$20,630. Adequate funding for the purchase is available in the 2013/2014 budget.

Recommendation: Council consider the purchase of the 3.49 acres at McKay Fields.

MCKAY CREEK GREENWAY TRAIL

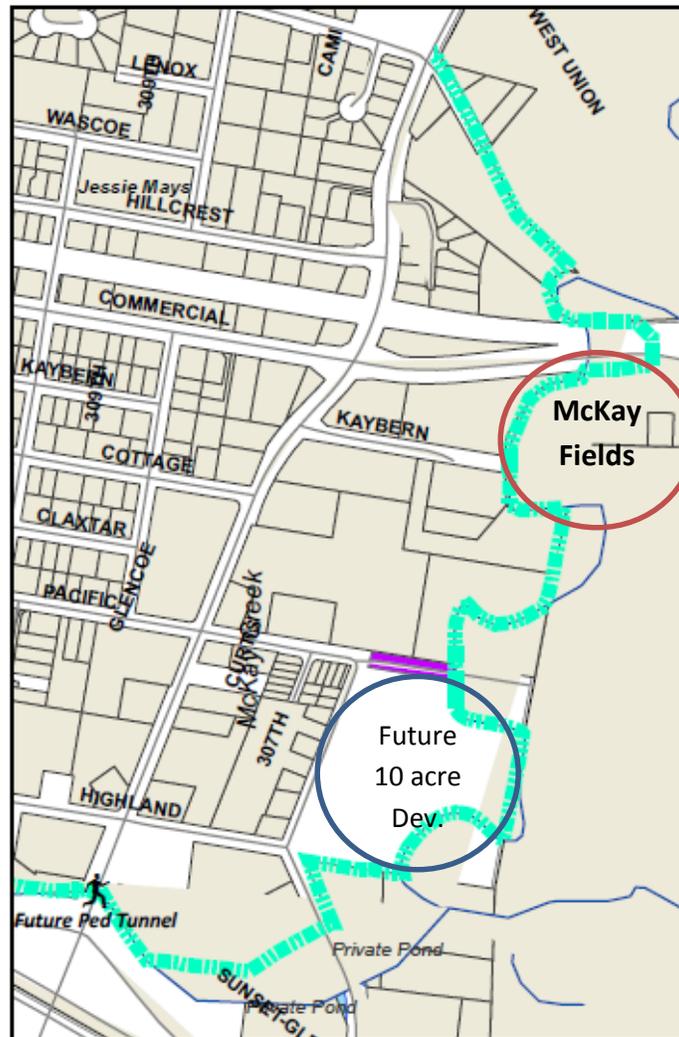


Figure 34: McKay Creek Greenway Trail, areas in purple are future parks

Matthew Larrabee, M.Arch., MAI



MCKAY CREEK PARCEL

SOUTH SIDE OF WEST UNION ROAD
NORTH PLAINS, OREGON 97133

REAL ESTATE APPRAISAL REPORT

PREPARED FOR

Blake Boyles
Public Works Director
City of North Plains
31360 NW Commercial St
North Plains, OR 97133

PREPARED BY

Matthew Larrabee, M.Arch., MAI
Real Estate Services Group, Inc.
10961 NW Crystal Creek
Portland, Oregon 97229
Email: matthew@resg.us; Larrabee.MAI@gmail.com
Phone: 503.799.3374

EFFECTIVE DATE OF VALUE

March 28, 2014

DATE OF REPORT

April 21, 2014

RESG File No. 14116

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REAL ESTATE SERVICES GROUP, INC.

MATTHEW LARRABEE, M.ARCH., MAI

Certified General Appraiser

Oregon #C000543

Washington #1101827



April 21, 2014

Blake Boyles
Public Works Director
City of North Plains
31360 NW Commercial St
North Plains, OR 97133

Subject: Appraisal of McKay Creek Parcel, south of West Union Road and west of the proposed McKay Fields subdivision, North Plains, Oregon 97133

Dear Mr. Boyles:

I am pleased to present you with this appraisal of the 3.49 acre parcel of vacant land along McKay Creek, south of West Union Road and west of the proposed McKay Fields subdivision in North Plains.

In the course of this appraisal assignment, I have completed an exterior viewing of the subject property, and have analyzed the characteristics of the subject and its market area. The subject property has been valued as though it would be sold on an all-cash or equivalent new mortgage financing basis. This appraisal complies with the current version of the Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Ethics of the Appraisal Institute.

Please feel free to contact me if any additional information or clarification is needed.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be "M.L.", is written over the typed name.

Matthew Larrabee, M.Arch., MAI
Certified General Appraiser
Oregon State Certification #C000543

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ADDENDA 57

 Qualifications of the Appraiser

 Definitions

 Revised Subdivision Plan

EXECUTIVE SUMMARY

Effective Date: March 28, 2014
Date of Inspection: March 28, 2014
Date of Report: April 21, 2014
Property Rights Appraised: Fee simple

IDENTIFICATION OF SUBJECT PROPERTY

Name/Location: McKay Creek Parcel
 South side of West Union Road
 North Plains, Oregon 97133
Map & Tax Lot: Portion of 1N-2W Section 06, Tax Lot 1200;
 Tax Account R0654152; R2144311, Washington County
Owner of Record: West Union Road, LLC
Site Size: 3.49 Acres per survey
Existing Improvements: None - vacant
Site Shape: Irregular
Site Features Generally level, bounded by a creek, floods periodically
Zoning: Residential (Neighborhood Community)
 Jurisdiction - City of North Plains
Highest & Best Use: Mitigation or recreation on the acquisition area

MARKET VALUE CONCLUSION

Value as of March 28, 2014

Value in Fee Simple: \$24,430

Note: The value conclusion is not subject to any hypothetical conditions. The subject of the appraisal is a portion of an existing tax lot, which is an allowable scope of work under USPAP.

It is assumed that the site sizes that have been reported to me are accurate, that the subject property is free of environmental contamination. The property appears to be in a floodway and is assumed to be unbuildable. The appraiser is not responsible for matters involving title. No title report was provided, and it is assumed that there are no undiscovered easements, liens, or other encumbrances on the property that would have a detrimental impact on market value or marketability. If these assumptions prove to be otherwise, the value conclusion would be subject to revision.

The client is advised to review final site plans relative to the size of the parcel being acquired and have the seller procure the appropriate title insurance prior to sale.

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GENERAL DATA

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Scope of Work

- Appraisal and Appraisal Report comply and are consistent with:
 - ✓ Current edition of USPAP (Uniform Standards of Professional Appraisal Practice)
 - ✓ The Code of Ethics of the Appraisal Institute
- Narrative Summary Report Format
- Inspection of Subject
 - ✓ The extent of inspection of the subject property is noted in the Certification.
 - ✓ “Inspection” is a term of art and does not imply that a building inspection was performed. It is simply a viewing of the property. Appraiser takes no responsibility as to the serviceability or defects, if any, of the improvements, soils conditions, or of any other detrimental property conditions.
 - ✓ The appraiser is not a surveyor and the measurement of site conditions is beyond the scope of this appraisal. If more precise estimates are desired, it is recommended that the client obtain the services of a professional surveyor.
- Inspection of Comparables
 - ✓ Inspection consists of an exterior viewing of comparable sales unless noted otherwise in Certification.
- Review of materials provided by the property owner and public records
- Research, reporting and analysis of market data
 - ✓ Market data has been researched or verified through public sources, brokers listings, published materials, other sources considered reliable, or with direct participants in the transaction where such cooperation was made available and deemed necessary.
- For the purposes of this appraisal, delinquent taxes, local improvement district bonds, SDCs, TIFs, etc. (if any) are considered as liens on the property, and are excluded from the analysis of market value.
- The appraiser is not responsible for matters concerning title, or for researching any liens, easements, or other encumbrances; it is assumed that there are none.
- *Approaches to Value* –There are three basic approaches used by appraisers to estimate market value. These three approaches provide market data from differing perspectives. The three approaches are the Cost, Sales Comparison and Income Approaches.
- The subject consists of vacant land. Thus a cost approach does not apply.
- Vacant Land is not typically purchased for its rental income potential. Thus, the income approach is not considered applicable in this case.
- The sales comparison approach is used to analyze the value of the subject. A number of recent sales of comparable parcels were researched and analyzed in support of a value opinion.

Client & Intended Users

The client and intended user is City of North Plains. There are no other intended users.

Intended Use of the Appraisal

To assist in the acquisition of the property.

The use of this report is limited solely to the client and for the intended use specified above. All other uses are expressly prohibited. Reliance on this report by anyone other than the client or intended user noted here, or for a purpose not set forth above is prohibited.

Ownership of the Documents and Limits of Liability

The appraiser's and the corporation's responsibilities are limited solely to the client and solely in the context of the intended use noted below. Liability is limited to the amount of appraisal fees actually collected. This document is an instrument of service, and as such remains the property of the service provider. Possession of this document does not convey ownership of the contents, and copying, distribution or conversion into electronic form in whole or in part is prohibited without prior, express written permission of the author. The author reserves the right to charge fees for any additional work expended. Copyright Matthew Larrabee – all rights reserved.

Property Rights Appraised

Fee Simple Estate. The value opinion of the fee simple estate considers the encumbrances noted in the title report, if available, visible on the property, or as reported by the owner.

Type of Value / Purpose

The purpose of the appraisal is to develop and report an independent, unbiased opinion of fair market value of the Fee Simple Estate of the subject property, subject to encumbrances noted in the title report, if available, visible on the property, or as reported by the owner.

Exposure Period

Based upon the market sales analyzed in this report, the location, type and size of the subject property, and the current market conditions for such properties in this market area, a reasonable exposure time for the subject property would be approximately 6 months or more, if it were to be listed at a reasonable price with a knowledgeable and competent broker.

Ownership & Recent Sales History

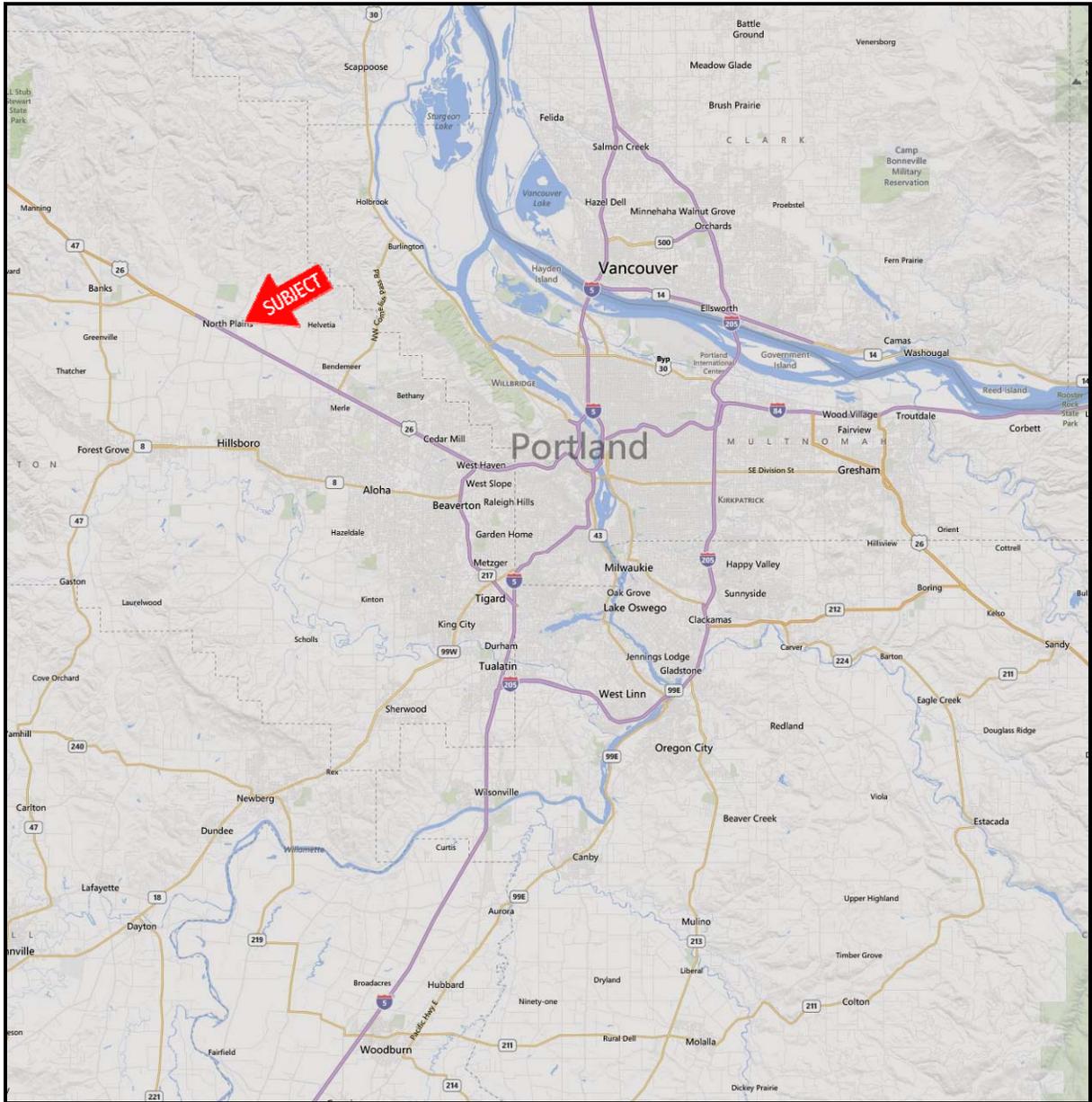
Public records indicate that the subject fee simple estate is vested in West Union Road, LLC (Ron Guillory) which purchased the property, including the land to its east side in July 2006. The price was \$550,000 for 5.15 acres, which reflected the development potential of the land that lies to the east of the acquisition parcel. The acquisition parcel itself is not developable, thus the land sale is not applicable to the price of that portion of the property.

There have been no closed sales within the past three years; however, the developable portion of the property is in a pending sale to a homebuilder, J.T. Roth, with approved plans for 28 lots. The acquisition parcel itself could be sold to the City of North Plains, using this appraisal report as an indication of its market value.

Appraisal Issues

The subject property consists of low-lying land and streamside areas that are not developable. A determination of its highest and best use is the first step to determining the type of sales comparables to research. In this case, the property has a history of being used for strawberries and other food crops. It is situated in a floodway and has been inundated often, according to the prior owner, who lives on an adjacent parcel. This analysis is explained in detail in the Highest and Best Use section of this report.

REGIONAL LOCATION MAP



REGIONAL DESCRIPTION

The Portland Metropolitan Area

The Portland/Vancouver/Beaverton PMSA is defined by the U.S. Census as these seven counties: Clackamas, Columbia, Multnomah, Washington, Yamhill Counties in Oregon, and Clark and Skamania Counties in the State of Washington. The City of Portland, located in Multnomah County, is the geographical, political and cultural center of the PMSA. Washington County, which lies to the west of Portland, is the hub of high tech industry for Oregon, and has the largest contingent of Intel employees in the nation, which at 16,700 exceeds those in California and Arizona. Intel estimates its 2012 local payroll at \$2.2 billion.

Population

According to the 2000 US Census, the Portland PMSA was the 23rd largest urban area in the United States with a population of 1,927,881. In the 2010 census, the Portland PMSA population was 2,226,009. The 2013 population estimate for the Portland PMSA is 2,314,554, an increase of 386,673, or 20.0% since the 2000 Census, and 4.0% since the 2010 census. According to 2000 census, the population of Oregon was 3,421,399. In the 2010 census, the population of Oregon was 3,831,073. The 2013 population estimate for Oregon was 3,919,020, which represents a 14.5% increase from the 2000 census, and 2.3% since the 2010 census.

The Portland PMSA (otherwise referred to in this report as the Portland metropolitan area) comprises the majority of the population in the state of Oregon. Between 1990 and 2000, population in the State of Oregon increased by 20.3%, while the Portland PMSA population increased by 26.5%. Approximately 70% of the state's population increase during those ten years occurred in the Portland PMSA. The trend continued from 2000 to 2010, with the Portland PMSA gaining 15.5%, compared with population growth in the state of Oregon of 12.0%.

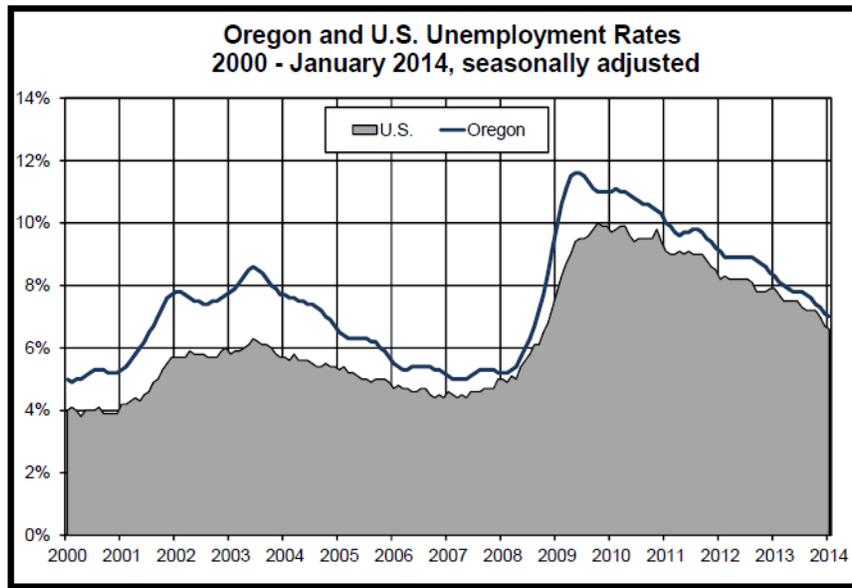
| Nonfarm Payroll Employment | | |
|--|------------------|------------------|
| (not seasonally adjusted) | | |
| January | | |
| | 2014 | 2013 |
| Total | 1,037,200 | 1,007,900 |
| Construction | 50,500 | 45,900 |
| Manufacturing | 115,300 | 113,700 |
| Trade, Trans., & Utilities | 195,800 | 189,400 |
| Information | 23,000 | 22,600 |
| Financial Activities | 62,100 | 62,400 |
| Professional & Bus. Svc. | 152,100 | 145,400 |
| Educ. & Health Services | 151,800 | 148,100 |
| Leisure & Hospitality | 103,500 | 98,300 |
| Government | 145,400 | 145,100 |
| High Tech * | 54,000 | 52,200 |
| * (manufacturing and nonmanufacturing) | | |

Employment

Oregon's seasonally adjusted unemployment rate has come down, gradually, and stands at 7%. The table compares Portland unemployment rates with the State of Oregon and the United States as a whole. Oregon's higher unemployment can be attributed to a number of factors, including its reliance on construction and manufacturing jobs, its high minimum wage, inadequate highways, deficiencies in higher education and a perceived anti-business regulatory and tax climate.

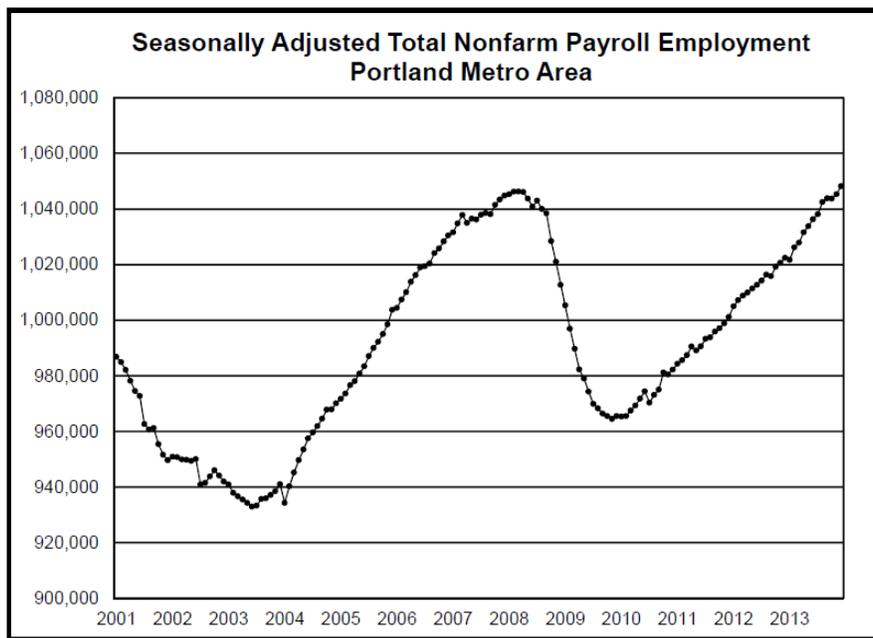
| Unemployment Rates | | |
|---------------------------|------------|------|
| Portland MSA | Seasonally | |
| | Adjusted | Raw |
| Jan 2014 | 6.4% | 6.8% |
| Dec 2013 | 6.6% | 6.4% |
| Jan 2013 | 7.9% | 8.6% |
| Oregon | | |
| Jan 2014 | 7.0% | 7.8% |
| Dec 2013 | 7.1% | 6.9% |
| Jan 2013 | 8.3% | 9.4% |
| United States | | |
| Jan 2014 | 6.6% | 7.0% |
| Dec 2013 | 6.7% | 6.5% |
| Jan 2013 | 7.9% | 8.5% |

Portland Metro Employment Trends



Source for preceding tables: Portland Metropolitan Labor Trends - Oregon Employment Department
<http://www.qualityinfo.org/olmisj/OlmisZine?zineid=00000010>

These charts indicate recent employment trends, declining unemployment and, finally, total payroll employment that exceeds the pre-recession figure. Construction has added 4,600 jobs in the Portland metro area since one year ago, a 10% increase, while most other sectors, including manufacturing, trade, information, professional & business services, education & health services, leisure & hospitality, government, and high tech have grown as well.



Source: The State of Oregon Employment Division

The Portland Area Housing Market

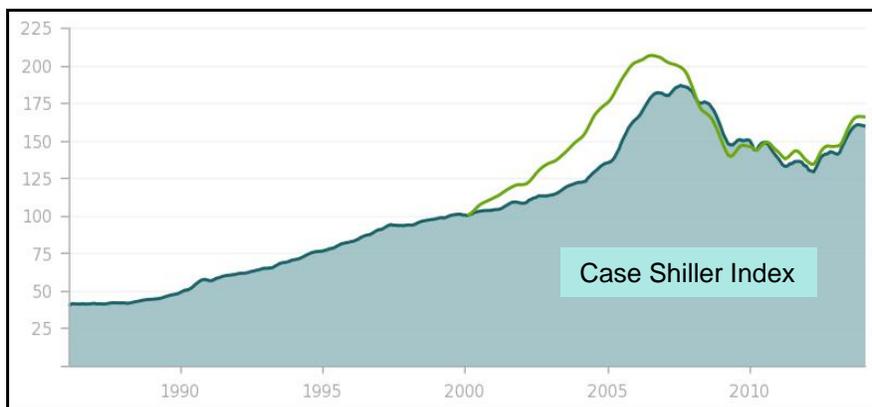
Home Price Trends: Nationally recognized economists including Professor Robert Shiller of Yale University have developed the Case-Shiller Home Price Index. This index of price trends shows that prices have increased substantially since the low point of February 2012. Case-Shiller data reflects sales/resales of a large sample of individual homes, and is thus regarded as a very reliable measure of price changes, since it is less likely to be skewed by other factors.

The Case Shiller index for Portland reached its peak of 186.51 in July 2007, and its nadir in February 2012 of 129.60, a drop of over 30%. The chart to the right indicates the relative price levels since those dates. The January 2014 price level reflects an increase of ±23% from the low. The reader is cautioned that all markets are localized and the impact varies widely. Desirable neighborhoods have fared better, while secondary areas have been slower to recover. Marketing times and inventory have decreased and a seller’s market has returned.

New housing permits declined dramatically after the peak years of 2004-06, but have recently increased, although they have not returned to their pre-recession highs. New homes in the Portland market are generally aimed at the \$250,000 to \$500,000 price category, where qualified buyers are the most numerous.

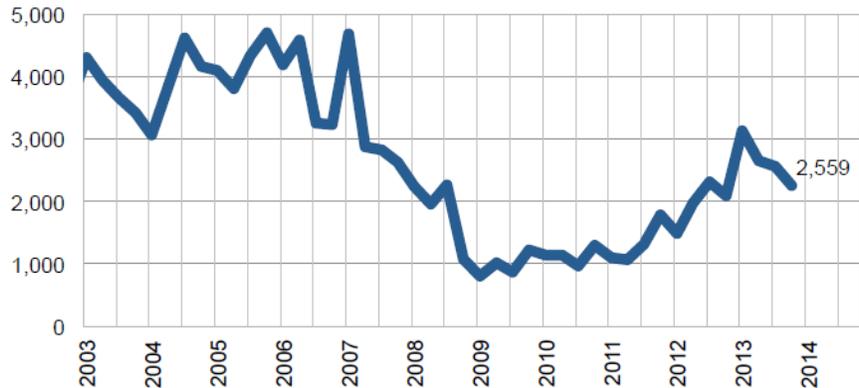
Case Shiller Index

| Date | Portland Metro | Relative to July 2007 | Relative to Feb. 2012 |
|----------------|----------------|-----------------------|-----------------------|
| January 2012 | 129.96 | 69.68% | 100.28% |
| February 2012 | 129.60 | 69.49% | 100.00% |
| March 2012 | 129.01 | 69.17% | 99.54% |
| April 2012 | 131.62 | 70.57% | 101.56% |
| May 2012 | 135.09 | 72.43% | 104.24% |
| June 2012 | 138.51 | 74.26% | 106.88% |
| July 2012 | 140.12 | 75.13% | 108.12% |
| August 2012 | 140.80 | 75.49% | 108.64% |
| September 2012 | 141.10 | 75.65% | 108.87% |
| October 2012 | 142.44 | 76.37% | 109.91% |
| November 2012 | 142.13 | 76.21% | 109.67% |
| December 2012 | 141.29 | 75.75% | 109.02% |
| January 2013 | 140.74 | 75.46% | 108.60% |
| February 2013 | 141.76 | 76.01% | 109.38% |
| March 2013 | 145.52 | 78.02% | 112.28% |
| April 2013 | 148.62 | 79.68% | 114.68% |
| May 2013 | 151.91 | 81.45% | 117.21% |
| June 2013 | 154.80 | 83.00% | 119.44% |
| July 2013 | 157.26 | 84.32% | 121.34% |
| August 2013 | 159.13 | 85.32% | 122.79% |
| September 2013 | 160.18 | 85.88% | 123.60% |
| October 2013 | 160.46 | 86.03% | 123.81% |
| November 2013 | 160.92 | 86.28% | 124.17% |
| December 2013 | 159.84 | 85.70% | 123.33% |
| January 2014 | 159.31 | 85.42% | 122.92% |



Source: Standard & Poors <http://us.spindices.com/indices/real-estate/sp-case-shiller-or-portland-home-price-index>
 Case Shiller Index: Portland Metro in blue; 20-City Composite in green

**Building permits for new private housing, quarterly
Portland-Vancouver-Beaverton MSA**



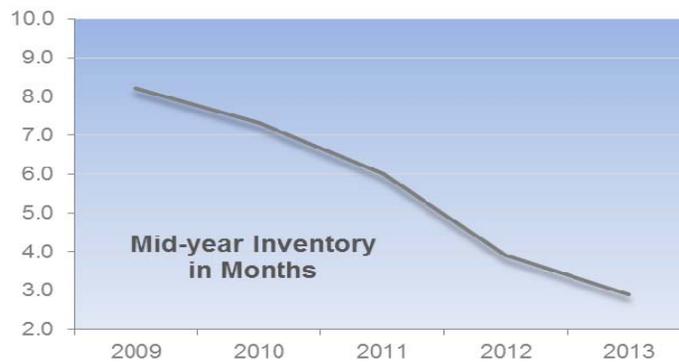
Source: Housing Market Analysis, PSU Center for Real Estate, Winter 2014

The February 2014 *Market Action*, which is published by the RMLS (regional multiple listing service) reports that the median sales price for the Portland Metro Area has increased 15.3% during the preceding twelve months to \$279,000 and that the average sales price has increased to \$325,500, as indicated on the table below. The trending data methods used by *RMLS Market Action* tend to vary from Case-Shiller because of their use of long-period moving averages (going back 24 months).

| Portland Metro Residential Highlights | | New Listings | Pending Sales | Closed Sales | Average Sale Price | Median Sale Price | Total Market Time |
|---------------------------------------|--------------|--------------|---------------|--------------|--------------------|-------------------|-------------------|
| 2014 | February | 2,354 | 1,848 | 1,467 | 325,500 | 279,000 | 100 |
| | January | 2,583 | 2,027 | 1,396 | 317,200 | 265,000 | 96 |
| | Year-to-date | 4,967 | 3,816 | 2,930 | 321,000 | 270,000 | 97 |
| 2013 | February | 2,453 | 2,130 | 1,376 | 282,000 | 242,000 | 116 |
| | Year-to-date | 4,915 | 3,945 | 2,768 | 284,300 | 244,900 | 114 |
| Change | February | -4.0% | -13.2% | 6.6% | 15.4% | 15.3% | -14.2% |
| | Prev Mo 2014 | -8.9% | -8.8% | 5.1% | 2.6% | 5.3% | 4.2% |
| | Year-to-date | 1.1% | -3.3% | 5.9% | 12.9% | 10.2% | -15.0% |

For-Sale Single Family Housing Inventory: As noted in *Market Action*, Inventory in Months is calculated by dividing the Active Residential Listings at the end of the month by the number of closed sales for that month. This includes proposed and under construction homes. As can be seen from the following charts, inventory has been below six months since early 2012. This is a positive trend for pricing, since it reflects high demand relative to available supply, placing upward pressure on pricing.

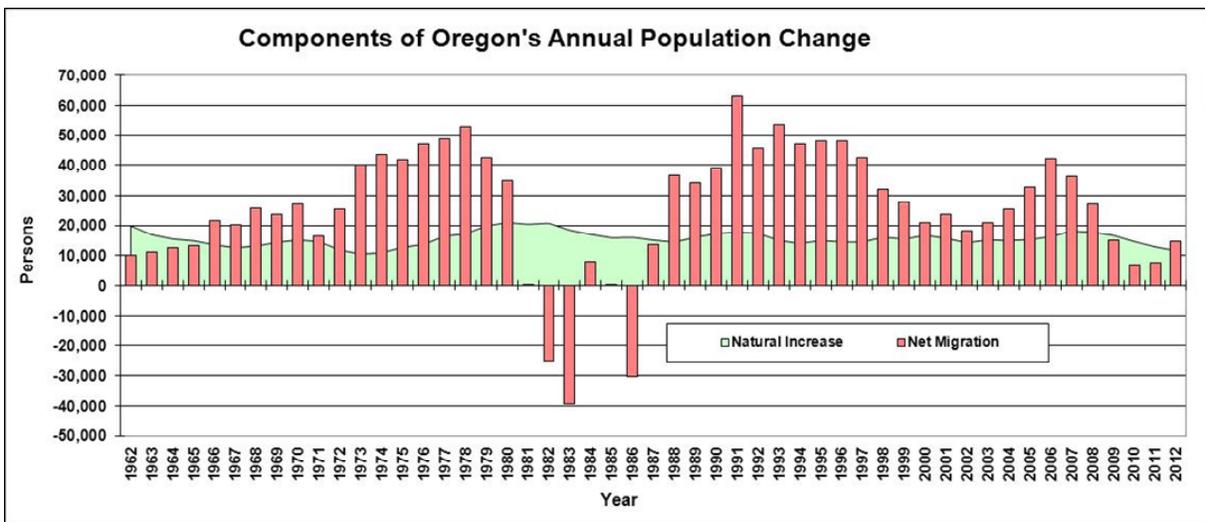
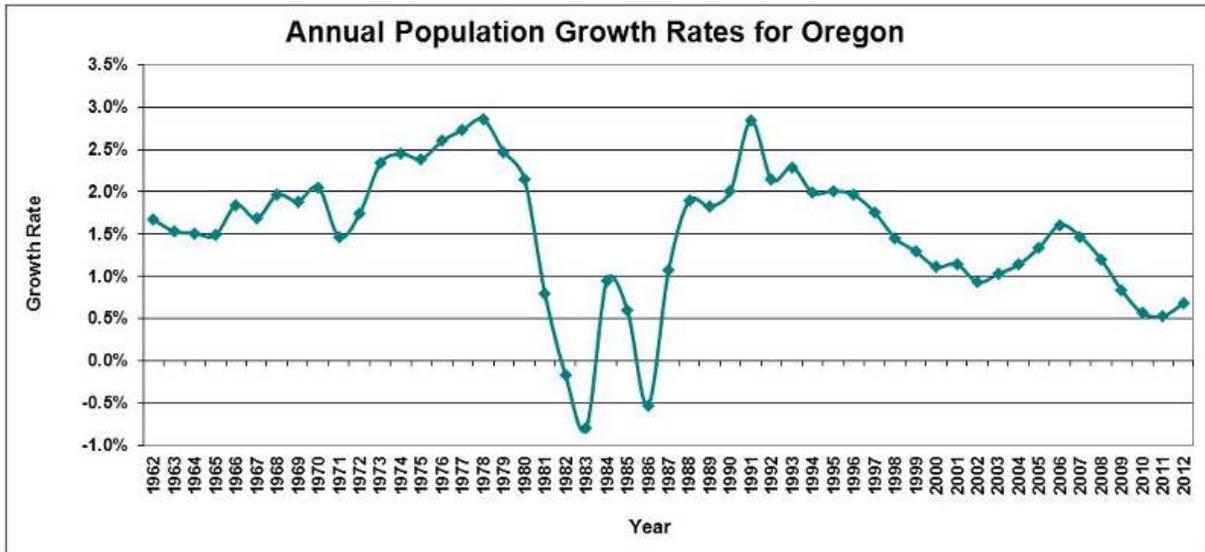
| Inventory in Months* | | | | Inventory in Months* | | | |
|----------------------|------|------|------|----------------------|------|------|------|
| | 2009 | 2010 | 2011 | | 2012 | 2013 | 2014 |
| January | 19.2 | 12.6 | 11.3 | January | 7.0 | 4.7 | 4.1 |
| February | 16.6 | 12.9 | 10.9 | February | 6.5 | 4.5 | 3.9 |
| March | 12.0 | 7.8 | 7.1 | March | 5.0 | 3.2 | |
| April | 11.0 | 7.3 | 7.2 | April | 4.7 | 3.1 | |
| May | 10.2 | 7.0 | 6.8 | May | 4.2 | 2.5 | |
| June | 8.2 | 7.3 | 6.0 | June | 3.9 | 2.9 | |
| July | 7.3 | 10.8 | 7.0 | July | 4.6 | 2.8 | |
| August | 7.8 | 11.0 | 6.2 | August | 3.9 | 3.1 | |
| September | 7.6 | 10.5 | 6.7 | September | 4.6 | 3.7 | |
| October | 6.5 | 10.7 | 6.8 | October | 3.8 | 3.4 | |
| November | 7.1 | 10.2 | 6.2 | November | 4.2 | 3.7 | |
| December | 7.7 | 7.9 | 5.3 | December | 3.6 | 3.2 | |



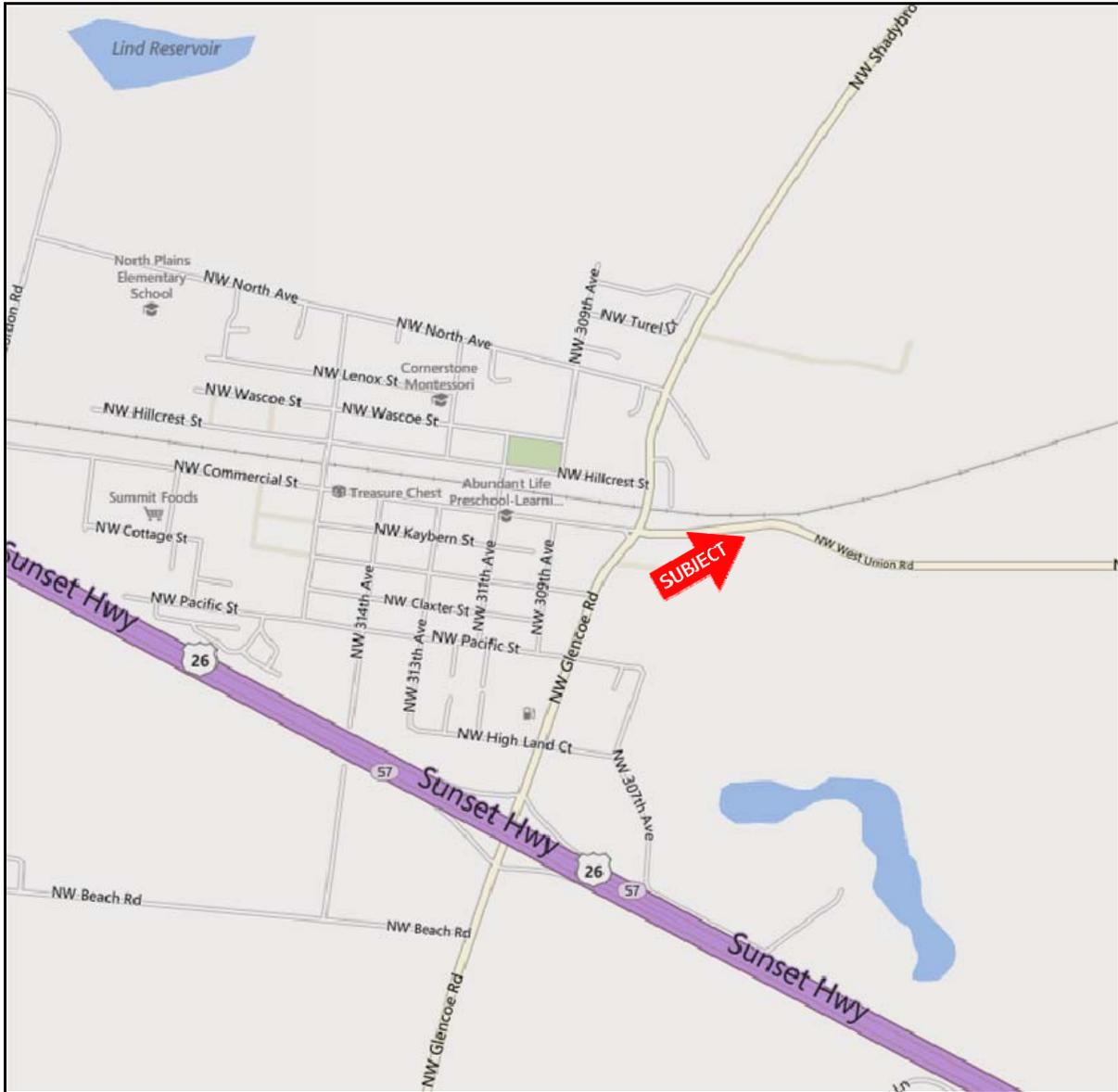
Source: RMLS Market Action (Inventories of June 2009-June 2013)

Declining Housing Inventory Reflects Increased Demand for Single-Family Dwellings and Tighter Supply, Signifying a Seller's Market

Statewide Long Term Population Growth: The following population charts indicate that, after a period of decline in the rate of growth in statewide population, it has recently recovered. During the growth years of the 1990s and 2000s, a substantial portion of the state’s population increase came from immigration from neighboring states, particularly California. Net migration, as indicated on the lower chart, has rebounded after slowing during the recession. Recent increases in population and net migration are positive economic indicators that reflect increased job opportunities in the state.



NEIGHBORHOOD MAP



AREA AND NEIGHBORHOOD DESCRIPTION

Overview – The subject parcel is north of the Sunset Highway in Washington County, on the western periphery of the Portland metro area. The predominant land uses in the subject's neighborhood of North Plains and its immediate surroundings, include agriculture, forestry, and rural residential. Within the city of North Plains itself, land uses include residential, commercial, and industrial. The area is bounded by the hills to the north, the city of North Plains to the west, the Sunset Highway (Hwy 26) to the south, and Cornelius Pass Road to the east.

North Plains had an estimated population of 1,947 as of the 2010 US Census, which compares with 1,605 as of the 2000 US Census, a 21% growth over ten years. Due to the economy, growth slowed after mid-2008, but housing construction has recently resumed in North Plains.

Agriculture - Agricultural enterprises in Washington County grow crops such as seed grass, nursery stock, wheat, berries, corn, seed clover, and hay. Grazing of cattle and sheep are also found here, as well as filbert orchards and a few vineyards. The area lies outside the urban growth boundary (UGB) and has restrictive agricultural zoning that limits development.

Residential – Housing in North Plains consists primarily of single family dwellings, with a few duplexes and apartments. Farms and rural residential acreage surround the city.

Retail – North Plains has a limited amount of retail. Major shopping areas in Washington County are situated in Hillsboro, Beaverton, Washington Square in Tigard, and in the Tanasbourne area (NW 185th Avenue at Hwy 26).

Office and Industrial – There are no office buildings of any substantial size in this rural area. Major employment centers are in Hillsboro (high tech) and in downtown Portland. There is a large industrial zoned area east of Helvetia Road, which has substantial vacant land.

Local Trends – Since 2010, demand for housing in the county has increased, as has subdivision development. Intel remains the area's largest private employer with a local work force close to 16,000, mostly in Hillsboro and within a reasonable commuting distance from the subject neighborhood. Intel is currently constructing a new fabrication or "Fab" plant at their Ronler Acres facility, which is part of a ±\$7 billion investment; Nike is also expanding.

Transportation and Linkages – The subject property has good accessibility due to its relative proximity to Hwy 26. This provides a connection to Washington County destinations and to central Portland.

Conclusion - North Plains provides a desirable setting for affordable residential housing, and new development is occurring due to the population growth and economic expansion of Washington County.

DESCRIPTION

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AERIAL PHOTOGRAPH



*Note that maps show approximate boundaries only.
Maps in this report are oriented to North at top unless indicated otherwise.*

SUBJECT PHOTOGRAPHS



1: View of acquisition area facing west from its eastern edge
Subject photos taken 3/28/2014 by Matthew Larrabee, MAI



2: Facing east from central portion of acquisition area



3: Facing north from central portion of acquisition area toward West Union Road



4: View of creek along western and southern edges of subject property

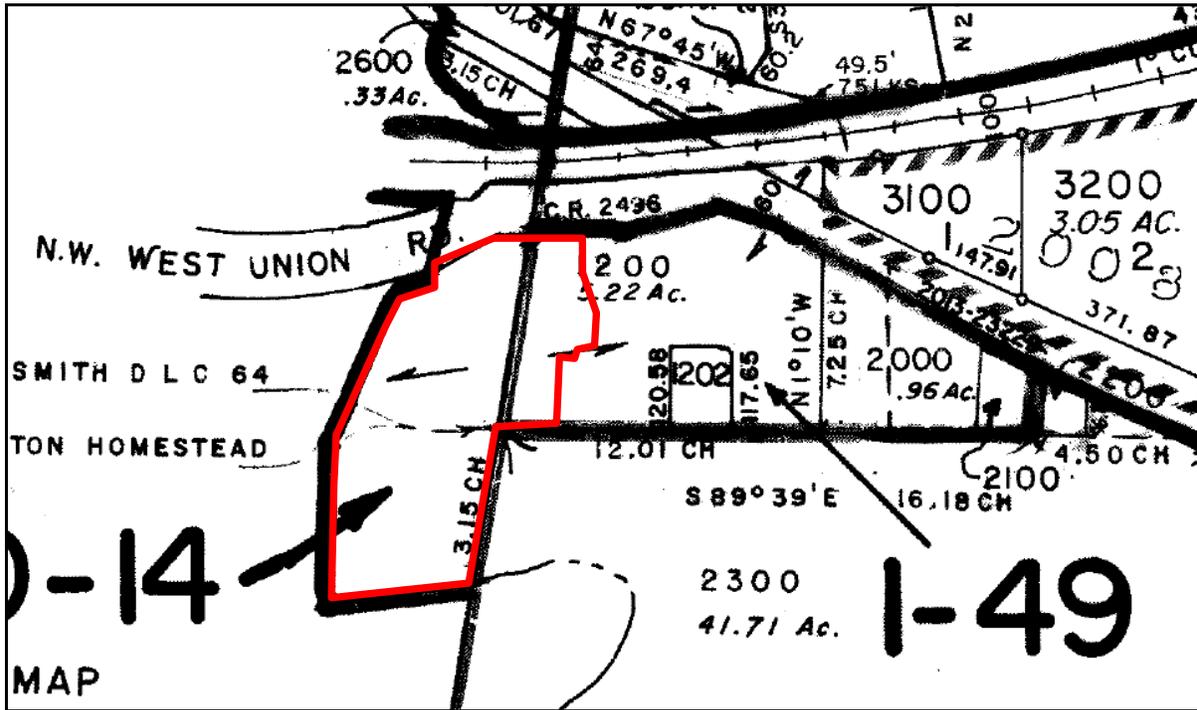


5: View of restored vegetation on the subject in the streamside area.

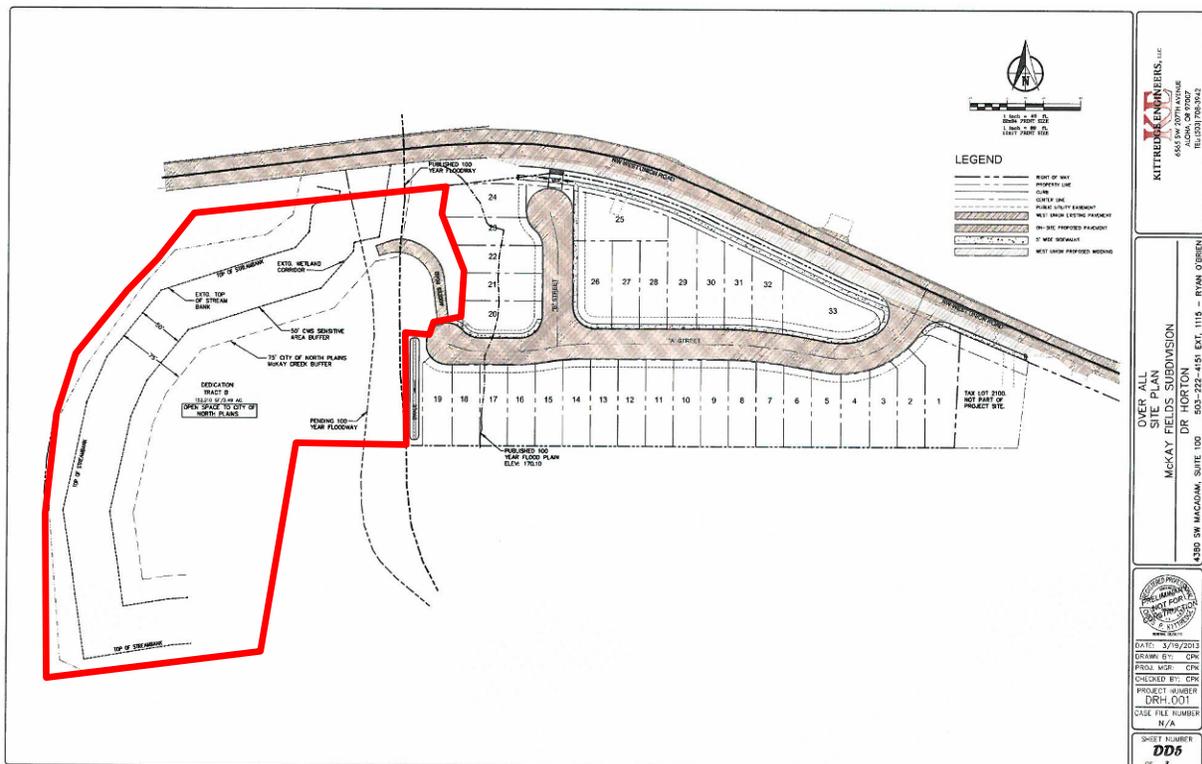


6: Street view along West Union Road; subject property at left

PLAT MAP



SUBDIVISION MAP



Note: The subdivision plan has been revised - see Addenda

SITE ANALYSIS

Site Summary: The subject is a vacant industrial parcel along the south side of West Union Road, in North Plains. It consists of the western 3.49 acres of Washington County tax account number R0654152 and R2144311; 1N 2W Section 06, Tax Lot 1200. It appears to be and is assumed to be unbuildable. It lies in a floodway and consists of a central grass field with a perimeter of woods, other vegetation, and streamside areas.

Shape: Irregular.

Abutting Properties:

- North – West Union Road
- East – Proposed subdivision, currently a single house on a large parcel
- South & West – McKay Creek, beyond which are wooded areas and fields
- No detrimental influences from abutting properties were noted.

Street Improvements:

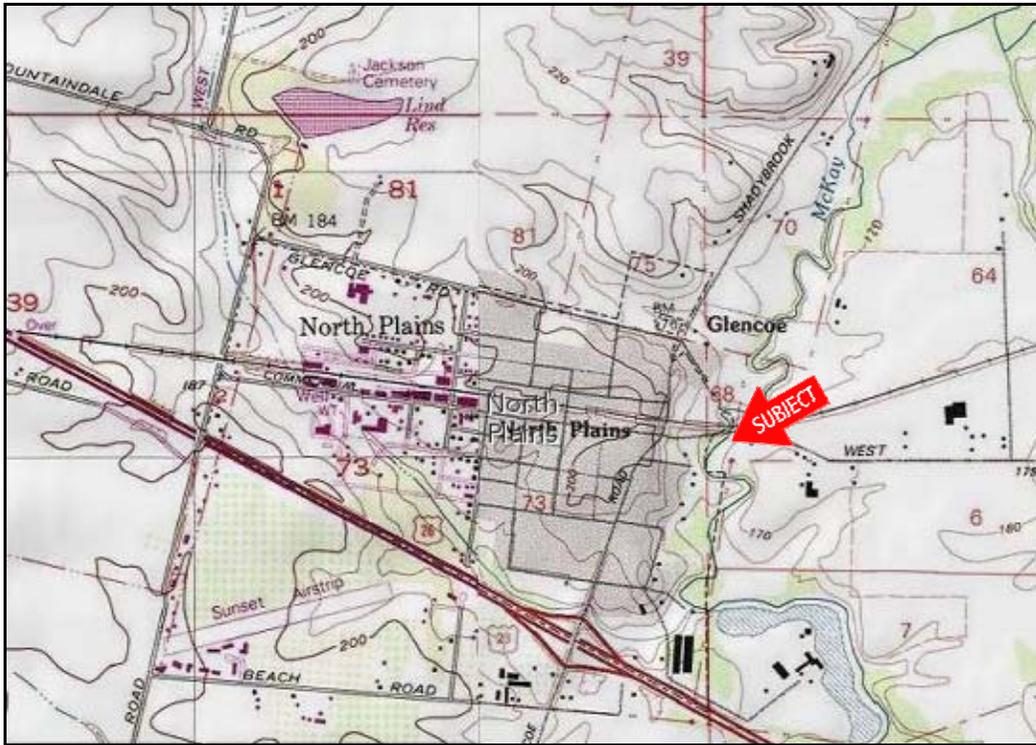
- NW West Union Road is a paved two lane public road. There are no curbs or sidewalks along the subject property frontage.

Frontage & Visibility: The subject has adequate frontage and visibility.

Accessibility (Macro): The subject has average accessibility, as it is within a short distance of Highway 26.

Accessibility (Micro): Immediate site access is from West Union Road; after completion of the subdivision it will be from a public road within the subdivision.

Topography: Gentle slope to the west.



Topography Map

Utilities: Utilities have not been verified.

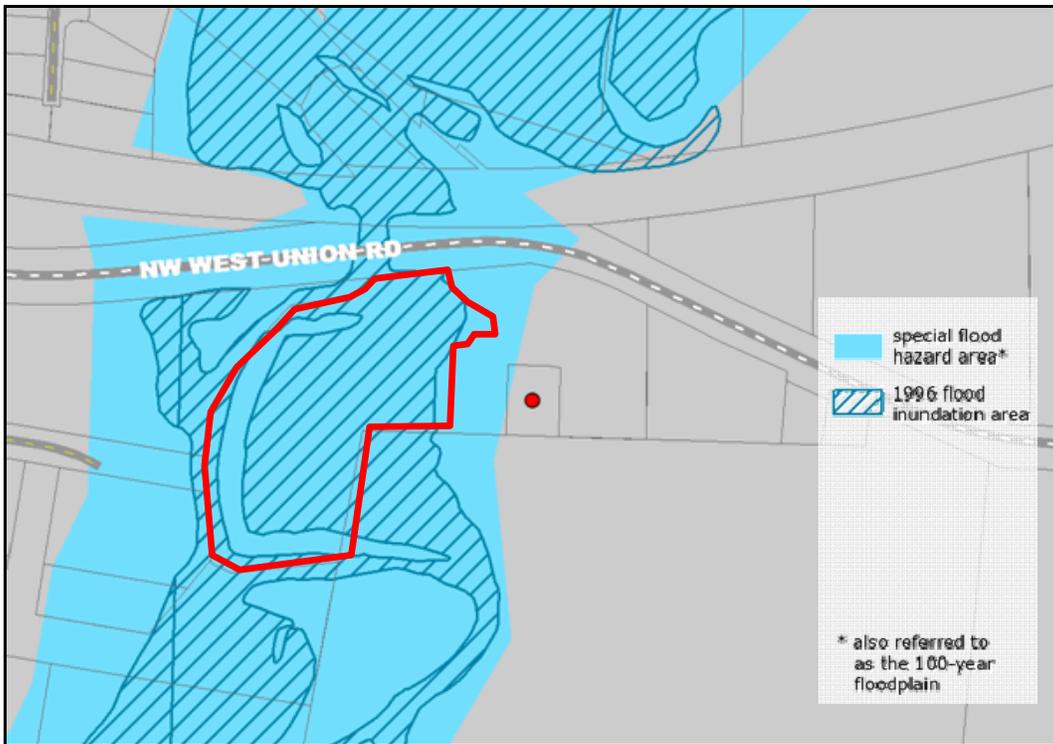
Environmental: No recent environmental assessment information was provided. It is an ordinary and typical assumption that no significant environmental contamination exists on the subject property. If any questions or concerns exist, the appropriate experts should be consulted.

Flood Zone: The acquisition area is situated within a flood hazard area (100-year flood plain and floodway) as shown on the maps on the following page. Due to the floodway, the area is not buildable. The subject was reportedly inundated during the floods of 1996, and on several other occasions, based on mapping and a discussion with the former owner, Mr. Ken Fields.



Source: MetroMap

Flood Map



Source: PortlandMaps

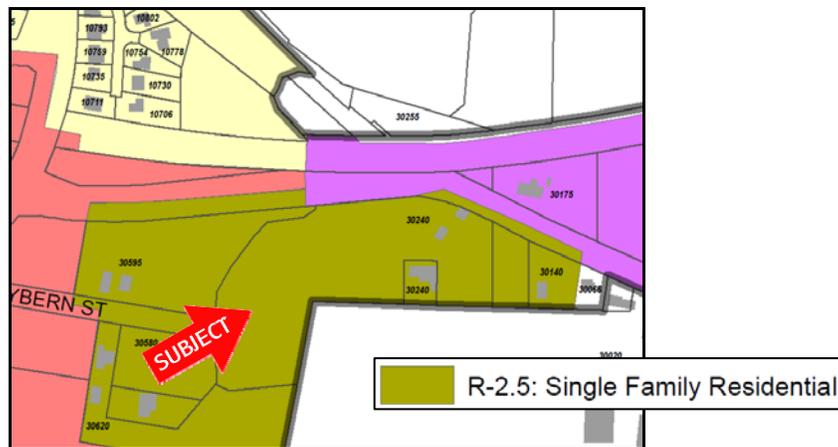
1996 Flood Inundation Map



Wetlands Map

Wetlands: The National Wetlands Inventory map (above) does not indicate any wetlands on the property.

Geology and Soils: No soils report was provided and soil capability and stability are assumed adequate for construction of roads, utilities, and buildings without incurring extraordinary costs for soils or geologic conditions.



Zoning Map

Zoning: The subject is zoned R-2.5 Single Family Residential. Zoning allows a variety of residential types, from single family detached to multifamily.

Consideration of Potential for Rezoning: USPAP Standards Rule 1-3 asks the appraiser to “identify and analyze the effect on use and value of existing land use regulations, reasonably

probable modifications of such land use regulations, [etc.]” There is no likelihood of rezoning for the subject property.

Easements & Encroachments: No title report was made available. For the purposes of this appraisal, it is assumed that there are no easements that would be detrimental to the market value of the subject. In all cases it is strongly recommended that a current title insurance policy be obtained to be protected against the possibility of unknown easements or other deed restrictions that could affect value.

Building Improvements: None - the subject property is vacant.

Site Improvements: None.

Property Taxes: The subject property is not a separately platted tax lot, and thus there is no property tax information for the subject parcel. For the purposes of this appraisal, delinquent taxes, local improvement district bonds, SDCs, TIFs, etc. (if any) are considered as liens on the property, and are excluded from the analysis of market value.

HIGHEST AND BEST USE

Highest and best use is defined as the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria are legal permissibility, physical possibility, financial feasibility, and maximum productivity (Source: *The Dictionary of Real Estate Appraisal*, 4th Ed.)

Implied within this definition is that the determination of highest and best use involves the appraiser's judgment and analytical skills, and is not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which a value is based. In a context of most probable selling price (market value) another appropriate term for highest and best use would be most probable use. In order to estimate the subject's highest and best use, the potential uses for the property are examined in the context of the restraints put on its use, which are governmental, social, economic and physical.

WETLAND & BUFFER AREA

Legal Considerations: Local, state and federal regulations impose limitations on development on this portion of the site. Designation as a floodway is generally considered to make development infeasible. Portions are within the 50' Clean Water Services sensitive area buffer or the 75' City of North Plains McKay Creek Buffer. It appears from the subdivision maps that a realignment of the floodway is pending.

Physical Characteristics: Natural vegetation has been restored to the streamside areas by the developer. The property consists of a gently sloping field surrounded by woods and a creek. It has a history of inundation by water from McKay Creek.

Market Overview, Feasibility, Maximum Productivity: There is an abundant supply of marginally economic land (low-lying, streamside, flood plain, wetland) in the Tualatin Valley. However, there is only moderate demand for such sites. Developers tend to avoid any sitework that involves a wetland area, due to the cost and regulatory burden, and thus there are few buyers who seek offsite mitigation parcels. However, the site would be well suited, and has been used in the past, for a small farm plot. The prior owner grew strawberries and other produce. There are few such small parcels available, and there would be demand from start-up farmers, or entrepreneurs who could use it for raising specialty items that are in favor with local restaurants who want farm-fresh locally sourced foods. Based on recent sales of marginal land in the area, as well as the subject's legal and physical characteristics, its highest and best use would be for a small farm plot. However, despite an intensive search for such sales, few were found, and thus the sales comparison approach includes other comparables that share the marginally economic nature of the subject, particularly due to water influence: flood plains, wetlands, and inundation.

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VALUATION

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THE APPRAISAL PROCESS

There are three basic approaches used by appraisers to estimate market value. These three approaches provide market data from differing perspectives. The three approaches are the Cost, Sales Comparison and Income Approaches.

As analyzed in detail in Scope of Work, the sales comparison approach is the primary approach to value in this case.

SALES COMPARISON APPROACH

The value subject property will be estimated by the direct sales comparison method. This method is based upon the principle that a prudent purchaser would pay no more for property than the cost of acquiring a satisfactory substitute, and is considered to be the most applicable method of valuation in this case. The *price per acre of site area* is considered the most applicable unit of site value.

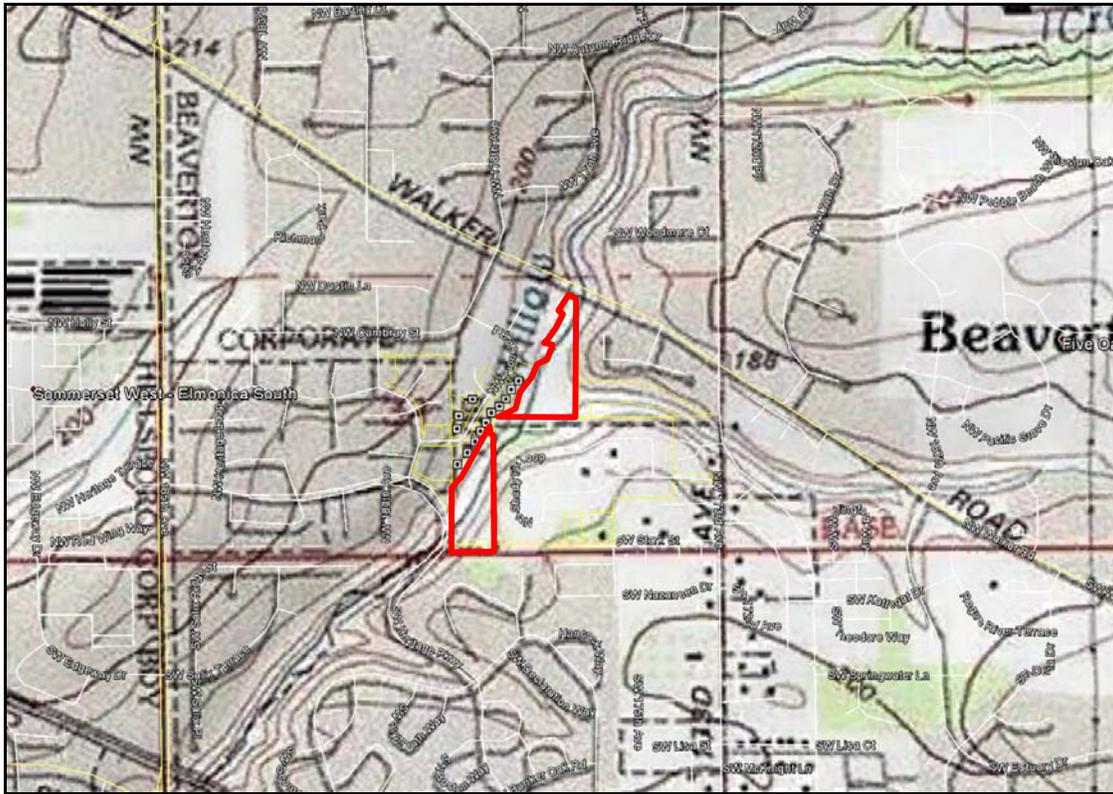
The most meaningful sales are shown on the following pages, which include a location map, summary chart and analysis and conclusion of site value.

PHOTOS & MAPS OF COMPARABLE SALES



Comparable 1 - South of Walker Road, Beaverton





Comparable 1 - South of Walker Road, Beaverton

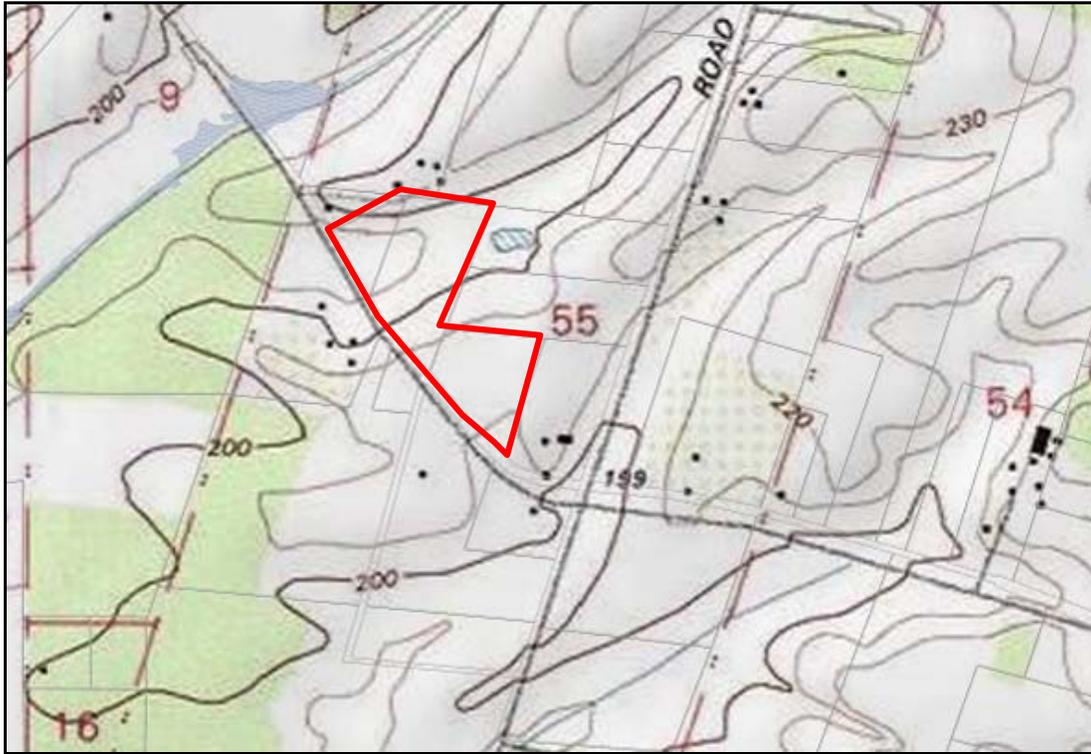


Flood Plain Map

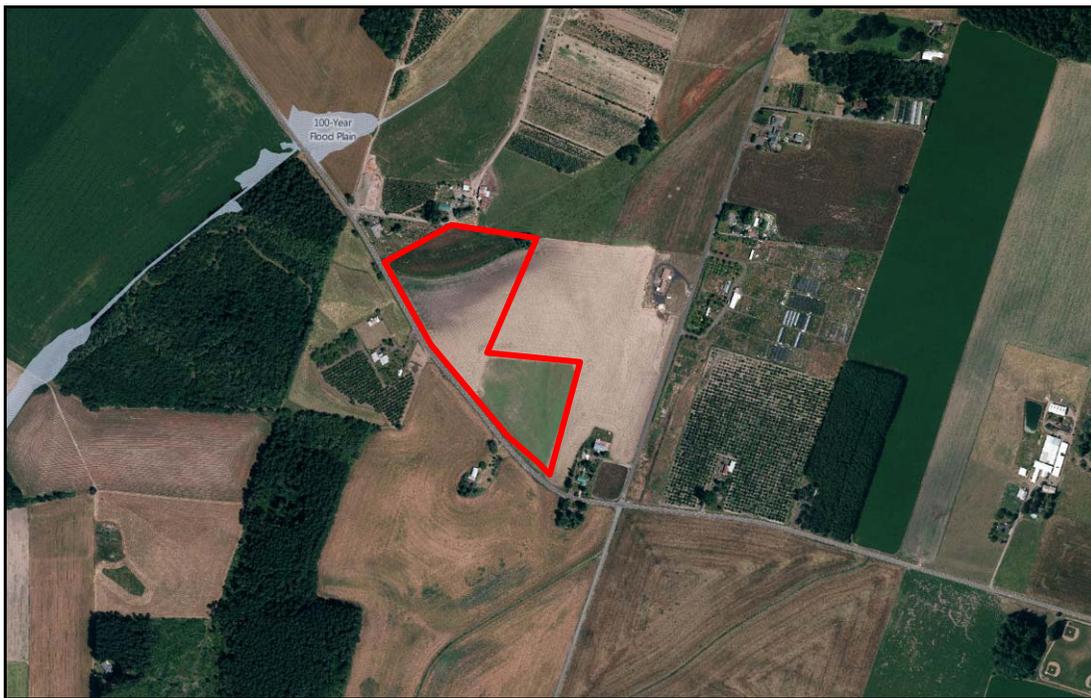


Comparable 2 – North side of West Union Road, west of Groveland, Hillsboro





Comparable 2 – North side of West Union Road, west of Groveland, Hillsboro



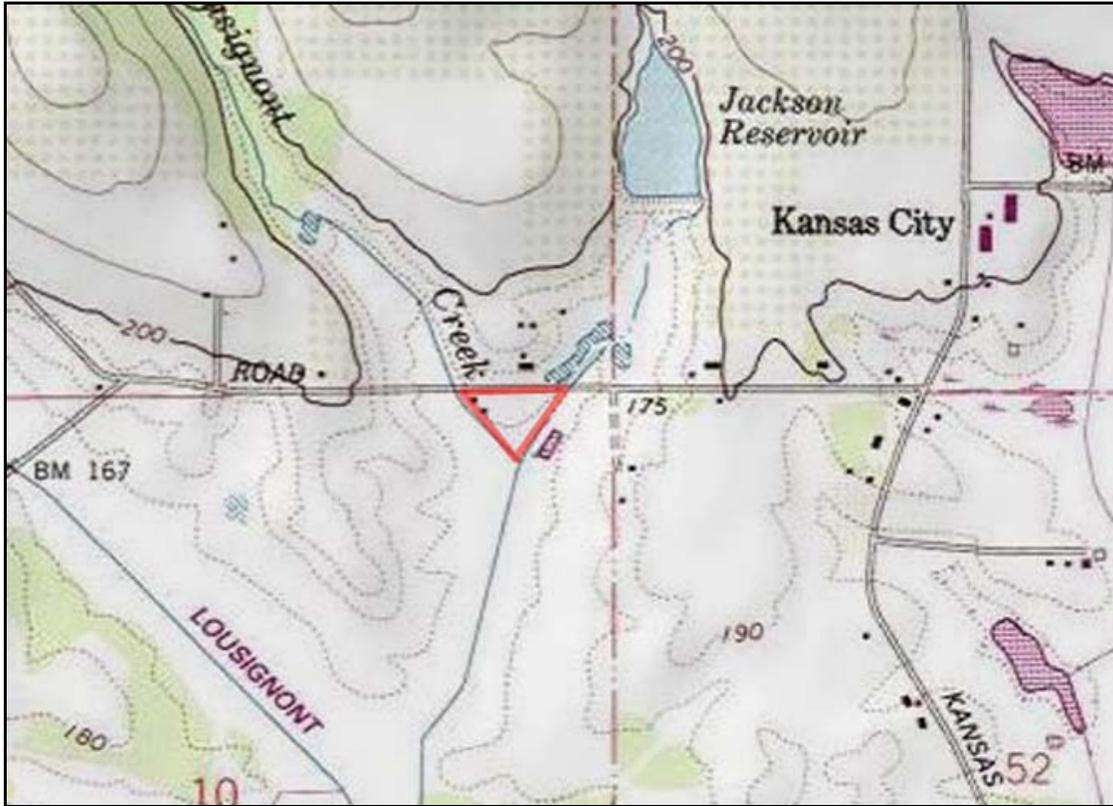
Flood Plain Map



Listing Photo

Comparable 3 – 46860 Clapshaw Hill Rd, Forest Grove





Comparable 3 – 46860 Clapshaw Hill Rd, Forest Grove

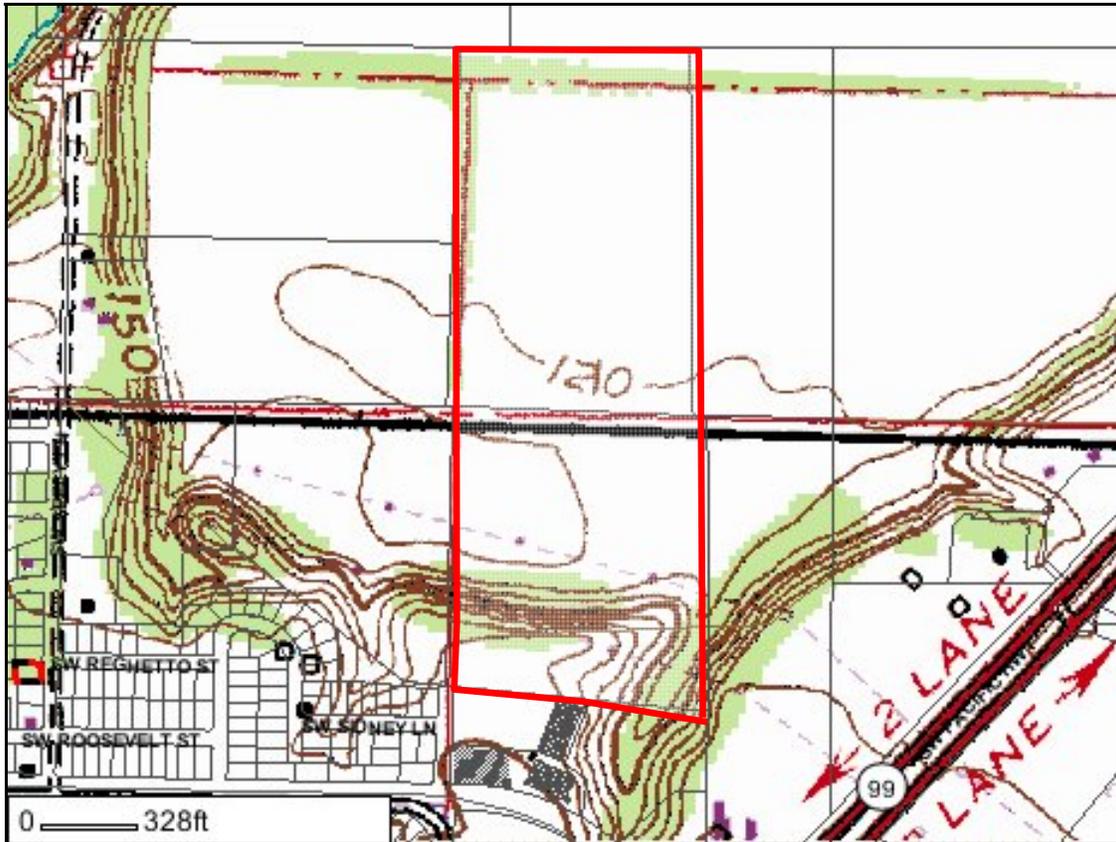


Flood Plain Map

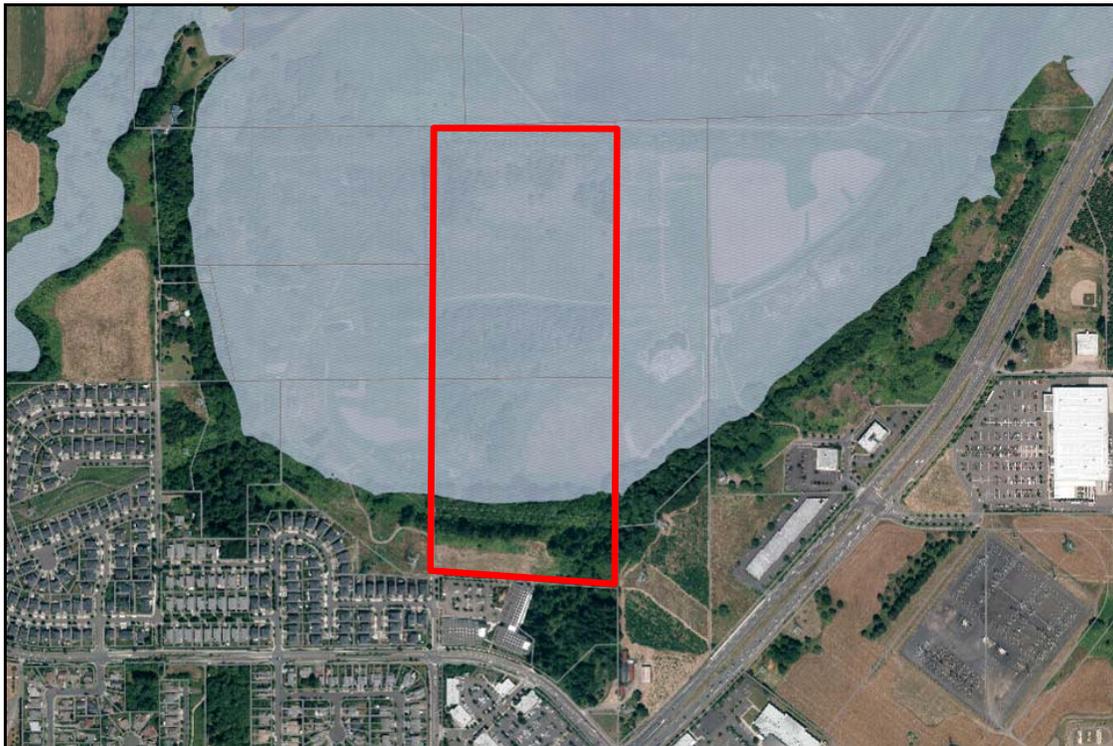


Comparable 4 – North of Roy Rogers Rd, Sherwood





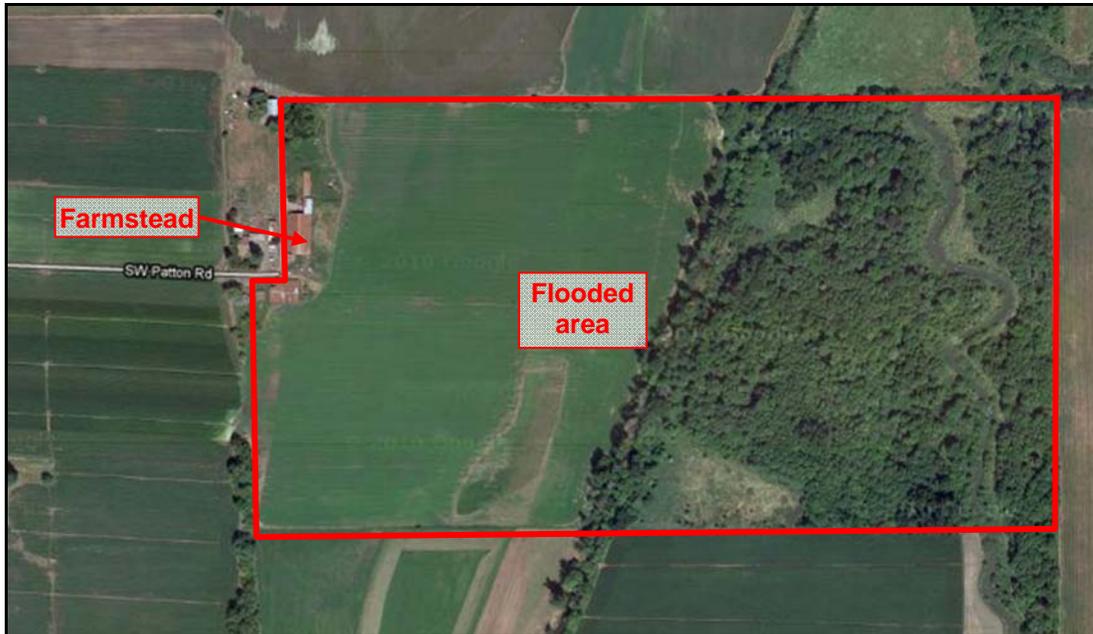
Comparable 4 – North of Roy Rogers Rd, Sherwood

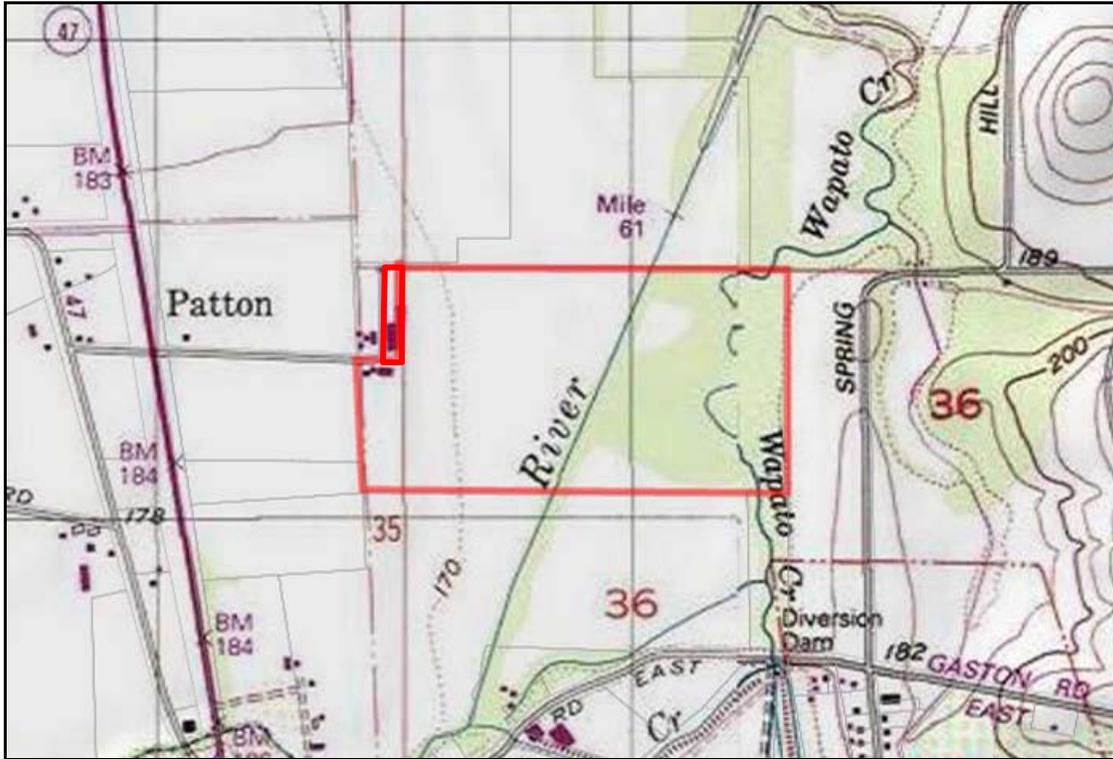


Flood Plain Map



Comparable 5 – 44600 Patton Rd, Gaston





Comparable 5 – 44600 Patton Rd, Gaston



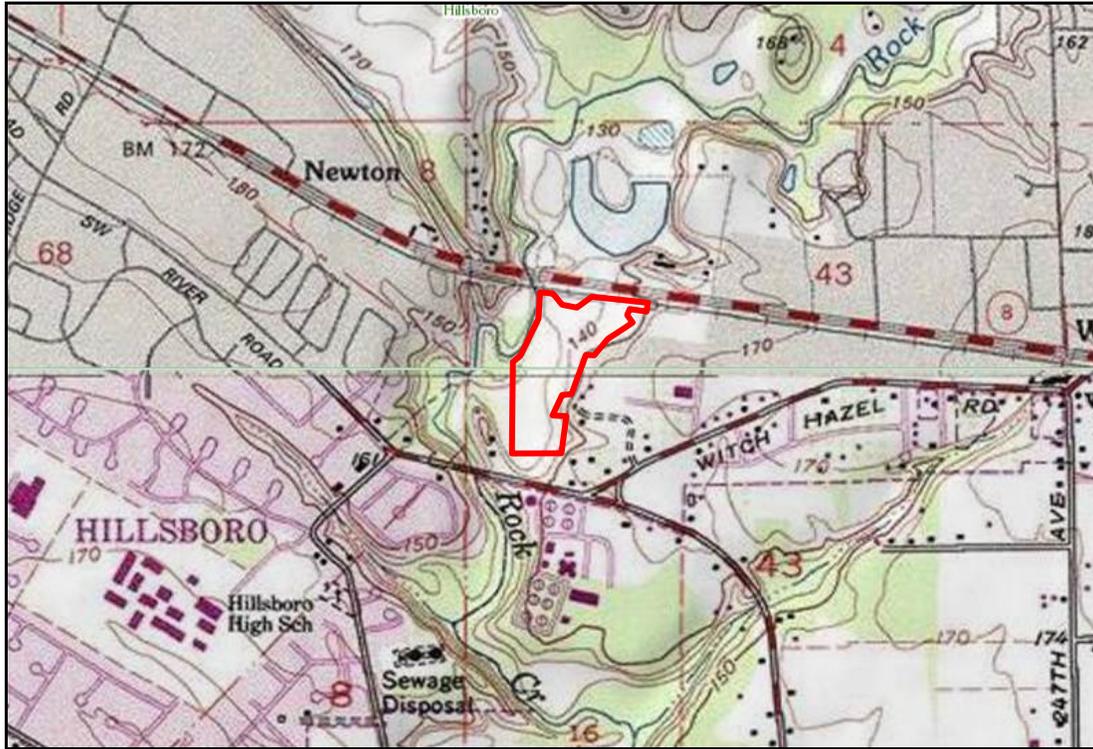
Flood Plain Map



Google Street View

Sale 6 - Tualatin Valley Hwy





Sale 6 - Tualatin Valley Hwy

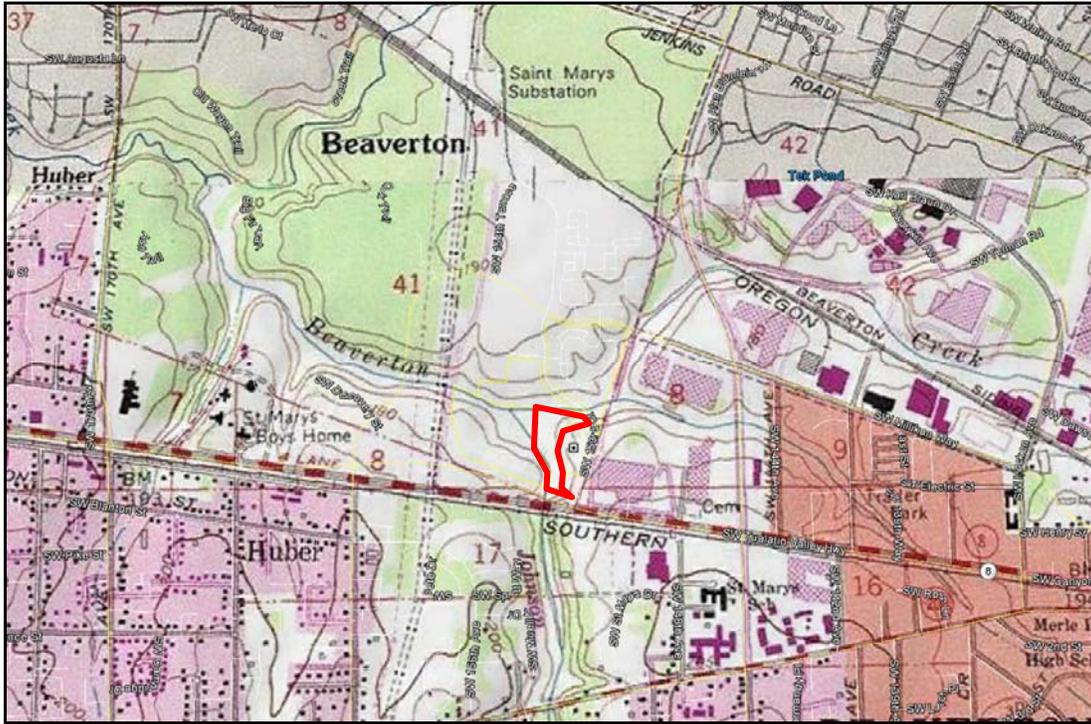


Flood Plain Map



Comparable 7 – W/S 153rd Ave, N. of TV Hwy



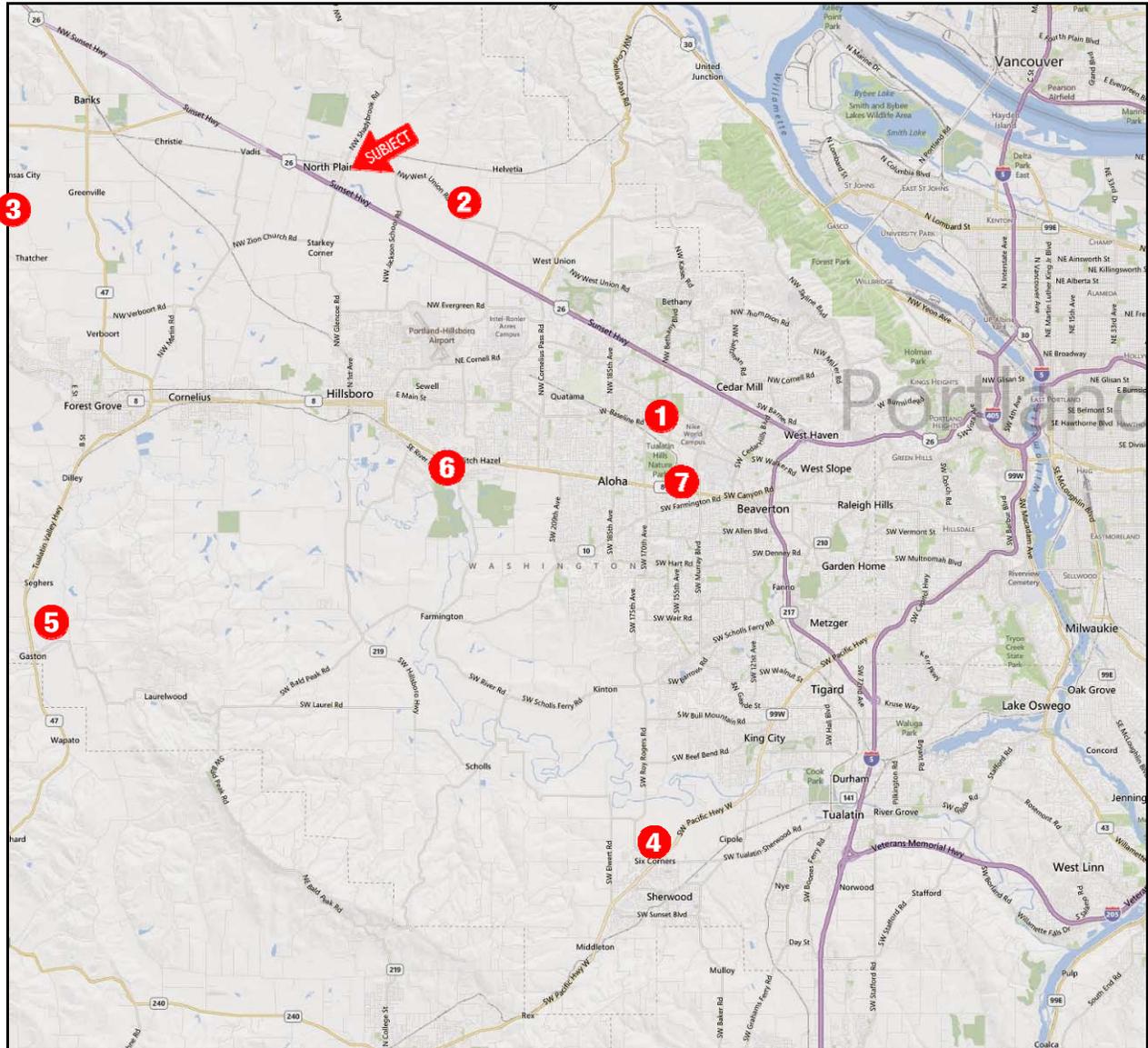


Comparable 7 – W/S 153rd Ave, N. of TV Hwy



Flood Plain Map

COMPARABLE SALES MAP - MARGINAL LAND SALES



SUMMARY OF MARGINAL LAND SALES

| | Comparable Sale 1 | Comparable Sale 2 | Comparable Sale 3 |
|---------------------------------|---|--|---|
| Location | S. of Walker, E of Pioneer Rd, Beaverton | N/S West Union, w. of Groveland, Hillsboro | 46860 Clapshaw Hill Rd Forest Grove |
| County | Washington | Washington | Washington |
| Property ID | Tracts F & G Cambray No. 4, Tract I Cambray No. 5 | 1N-2W-09-701,707,708 | R0768627 |
| Sale date | 4/2007 | 5/2012 | 10/2012 |
| Sale price | \$54,400 | \$145,000 | \$27,000 |
| Improvements | \$0 | \$0 | \$7,000 |
| Land Price | \$54,400 | \$145,000 | \$20,000 |
| Site size (Acres) | 6.45 | 20.3 | 3.22 |
| Land Price per Acre | \$8,434 | \$7,143 | \$6,211 |
| Zoning | R5 Residential | EFU | EFU |
| Soils & Capability | Cove-IVw | Verboort - IIIw Woodburn - IIw/IIe | Verboort - IIIw Labish - IIIw |
| Shape | Irregular | Irregular | Triangle |
| Topography | Level | Gen'ly Level | Gen'ly Level |
| Approx. % in Flood Plain | 90% | 0% | 100% |
| Utilities | None | Power avail. | Power, Well, Septic |
| Water Rights | None | None | Yes |
| Water features | Willow Creek | None | 2 creeks frame parcel |
| Likely Use | Recreation | Farming | Farming |
| Comments | Exchg. for SDC Credits | Dry cropland | 2 pole barns 996 SF; No dwelling allowable |
| Grantor | Olympic Investments | Hays | Owen/Vojta |
| Grantee | Tualatin Hills Park/Rec | Thao | Vance |
| Doc No. | 2007-48031 | 2012-39708 | 90217 |
| Property Contact | Steve Gulgren THPRD | Kent Campbell Windermere | Vicki Bauer Re/Max Equity Group |
| Phone | 503.645.6433 | 503.648.1169 | 503-635-2660 |

SUMMARY OF MARGINAL LAND SALES

| | Comparable Sale 4 | Comparable Sale 5 | Comparable 6 | Comparable Sale 7 |
|---------------------------------|---|--|---|---|
| Location | North of Roy Rogers Rd Sherwood | 44600 Patton Rd Gaston | D&G Industrial Park, S/S TV Hwy, Hillsboro | W/S 153rd Ave, N. of TV Hwy, Beaverton |
| County | Washington | Washington | Washington | Washington |
| Property ID | 2S-1W-20-2200; 2S1W-29B-301 | 1S-4W-36-300; 1S-4W-35-100 | 1S-2W-09BC-1100 | R1460252 |
| Sale date | 6/2000 | 6/2011 | 7/2010 | 3/2013 |
| Sale price | \$250,000 | \$460,000 | \$50,000 | \$17,030 |
| Improvements | \$0 | \$0 | \$0 | \$0 |
| Land Price | \$250,000 | \$460,000 | \$50,000 | \$17,030 |
| Site size (Acres) | 42.33 | 101.63 | 15.02 | 5.24 |
| Land Price per Acre | \$5,906 | \$4,526 | \$3,329 | \$3,250 |
| Zoning | EFU | EFU | Industrial M-P | OI Office-Industrial |
| Soils & Capability | Cove Clay-IIIw Wapato-IVw | McBee - IIIw Wapato - IIIw | Aloha-IIw; Wapato-IIIw | Cove - IVw Quatama - IIe |
| Shape | Rectangular | Rectangular | Irregular | Irregular |
| Topography | Higland bluff & lowland | Level | Level | Level |
| Approx. % in Flood Plain | 94% | 97% | 90% | 99% |
| Utilities | None | Power, Well, Septic | All available | All Available |
| Water Rights | None | 30 Acres | None | None |
| Water features | Adjacent to wildlife refuge | Tualatin Rvr; Wapato Cr. | Rock Creek | Beaverton Creek |
| Likely Use | Speculation/Devp't. | Expand abutting farm | Recreation | Recreation |
| Comments | Seasonal inundation; Small usable upland | Inundated most years; Improvements no value | Wet/Low lying | Wetland |
| Grantor | Regency Realty | Zaiger | Dimeo | Sequoia Equities |
| Grantee | Hunters Ridge LLC | Wismer | City of Hillsboro | Tualatin Hills Park/Rec |
| Doc No. | 2000-50970 | 44113 | 2010-53177 | 23934 |
| Property Contact | Mike Cook Mike Cook Properties | Mark Zeiger Seller | Public records | Nancy Chase THPRD (Buyer) |
| Phone | 503.784.2287 | 503.985.7900 | -- | (503) 645-6433 |

MARKET DATA ADJUSTMENT FACTORS

Range of Value: All sales comparables are vacant parcels of land that lie at least partially in the 100-year flood plain, or have nonbuildable wetlands or streamside areas. Comparable 3 was improved with site utilities and two small pole barns that were estimated to contribute \$7,000 to the site. After deducting the value of the improvements from Comparable 3, the comparables range from \$17,030 to \$460,000 in overall price, and from \$3,250 per acre to \$8,434 per acre. The analysis is made on a price per acre basis. All marginal land comparables were confirmed with parties to the transaction, except for Comparable 6, for which public records and maps were relied upon.

Elements of Comparison: In this comparison, the adjustment factors that are considered include site utility, market conditions (date of sale), physical factors such as size (smaller parcels tend to sell for a higher price per acre), and other factors as noted.

Quantitative vs. Qualitative Adjustments – Due to the disparity of the available market data, it is not feasible to make specific, supportable, quantitative adjustments for the differences between each comparable and the subject with reliability or precision in this case. Therefore a qualitative method of comparison is employed, whereby each sale is analyzed relative to its superior or inferior characteristics relative to the subject, thus indicating whether it should bracket the lower or upper range of value for the subject property.

Conditions of Sale: All sales are considered arm's length. The transactions appear to have been between unrelated parties.

Rights Conveyed: For each comparable, the rights conveyed were fee simple. None were known to be encumbered by a leasehold that would have affected the price paid.

Market Conditions (Time/Date of Sale): The market for marginal land, wetlands, etc., tends to be static in its pricing due to the limited economic utility of such properties. For example, there is a 35.43 acre flood plain parcel in Washington County that sold in 10/1989 for \$61,500 and re-sold in 2/2007 for \$70,000, a difference of only 14% over a period of 18 years, or less than one percent per year. Thus, no substantial adjustments for market conditions are warranted for these sales.

Site Utility: Site utility considers the suitability of a given parcel relative to its likely uses such as recreation, farming, or wetland mitigation projects.

Other Adjustments: Additional adjustments for physical factors, location, etc., are made as appropriate.

ANALYSIS OF COMPARABLE SALES

Comparable Sale 1 is the sale of a 6.45-acre wetland parcel by a property sold by a developer to the Tualatin Hills Park & Recreation District for a credit worth \$8,434/acre. The land is crossed by Willow Creek, which inundates a portion of the land, of which 90% is in the 100-year flood plain. The sale was actually a trade in lieu of SDC fees (System Development Charges) that the developer had to pay the park district. The buyer reported that the price was at the upper portion of the \$5,000 to \$8,000 per acre range that the park district would typically pay at that time. Since the district did not have to actually pay cash for the purchase, and were able to receive it upfront rather than waiting for the money to accrue as each future house was built, they were more flexible regarding the credit paid to the developer, indicating a downward adjustment. This sale at \$8,434/acre is considered to bracket the upper range of value for the subject.

Comparable Sale 2 is a small farm parcel several miles east of the subject property along West Union Road. Sales of such small farm parcels are relatively rare in this market. The property consists of 20.3 acres of dry cropland that sold for \$7,143 per acre. In comparison with the subject property, the comparable is superior in terms of its agricultural productivity, since it is nearly all tillable, with just a small, poorly drained swale near its northern edge. It is also accessible without having to traverse a subdivision, whereas the subject will only be accessible through a subdivision street in the near future. However, its much larger size and highly irregular shape tend to offset these advantages. In balance, this sale brackets the immediate upper range of value for the subject.

Comparable Sale 3 is a small farm property on the western periphery of the Tualatin Valley. It sold for \$27,000, but there were two small pole barns on the property (996 SF total, including one with a toilet and sink) and site utilities, including power, domestic water, septic, and irrigation water from a shared well. After adjusting \$7,000 for the contributory value of improvements, the land is allocated at \$20,000, or \$6,211 per acre. Historically there was a mobile home on the property, but Washington County, despite efforts by the seller to perfect a homesite right, demanded removal of the home and denied any possibility of allowing a dwelling. Thus the site was considered unbuildable (for a house) at the time of sale. It is framed by two creeks and is entirely within the 100-year flood plain. The purchaser apparently was motivated by the opportunity to farm it and to use it for short-term RV parking for his relatives. Compared with the subject property, an upward adjustment is required for this sale's remote location. A smaller downward adjustment can be made for its marginally superior ability to support farm building improvements, which are not likely to be allowed within a floodway. Overall, this sale is slightly inferior and brackets the lower range of value for the subject.

Comparable Sale 4 is a relatively large parcel of land that is located in Sherwood, adjacent to the Tualatin River National Wildlife Refuge. It contains 42.33 acres and sold for \$5,906 per acre. The purchaser was a real estate professional who purchased the property primarily for speculation. There is a small area of upland that was believed to have some potential for development, but 94% lies within the 100-year flood plain. A significant amount of the land is subject to seasonal inundation. Compared with the subject, it has a slightly superior development potential. However, this is offset by the difficult access to the site, which is via a

narrow, winding, and somewhat steep access easement. The comparable also appears to be more prone to flooding, and thus less productive for most crops. Upward adjustments are thus indicated for the property's physical characteristics, and for its much larger size, which would tend to reduce the price per acre, particularly for a marginal parcel. A smaller downward adjustment can be made for the sale's small area of developable land. In light of these factors, this sale is considered slightly inferior, thus bracketing the lower range of value at \$5,906 per acre.

Comparable Sale 5 reflects the sale of a 101.63 acre farm near Gaston to the tenant farmer. The price was negotiated directly between the two parties, rather than being listed, but it is considered to be an arm's length transaction that reflects the market. The price was \$4,526 per acre. The farm is 97% within the 100-year flood plain, and it is regularly inundated with overflow from the Tualatin River and Wapato Creek for several months of the year. Only 50 acres are considered farmable, of which 30 acres have irrigation and subsurface drainage tiles. There are about 50 acres that are too wet to farm that are left as untended woodlands, about 35 acres of which are wetlands. There is a one acre farmstead with buildings in poor to fair condition; none of the improvements contributed to value. Compared with the subject property, upward adjustments can be made relative to this sale's more peripheral location and for its much larger size, which tends to reduce the price paid for such parcels. Thus, this sale brackets the lower range of value.

Comparable Sale 6 is adjacent to an industrial park south of Tualatin Valley Highway in Hillsboro. It consists of 15.02 acres of undevelopable, low-lying land along the banks of Rock Creek, of which 90% is within the 100-year flood plain. The City of Hillsboro purchased it from a willing seller for \$3,329/acre. Upward adjustments can be made for size, for its inferior economic utility (unlikely to be suitable for agriculture) and for the fact that the transaction occurred near the low point of the general real estate market downturn. Considering these factors, this sale brackets the low end of the value range for the subject.

Comparable Sale 7 is the sale of a 5.24 acre wetland parcel in Beaverton for \$3,250 per acre. Nearly all of the site lies within the 100-year flood plain; about 90% is shown as wetland on the NWI map. The seller, a California investment company that owned the light industrial / office building in front of the wetland parcel, was approached by the local park district, which has a large nature park in the immediate vicinity. The property owners agreed to sell at the assessed value as shown by the county assessor, so there was no need to determine a more accurate market value. In any case, the seller did not appear to be motivated by the desire to maximize the price, which is at the low end of the range for such sales, indicating an upward adjustment for conditions of sale. An additional upward adjustment is made for the sale property's inferior economic utility, as it is very wet and unlikely to be suitable for agriculture or any other economic use besides recreation or mitigation. Thus this sale brackets the low end of the value range for the subject.

CONCLUSION OF VALUE

In the preceding analysis, Comparable Sales 1 and 2, at \$8,434 per acre and \$7,143 per acre, bracket the upper range of value. Conversely, Comparable Sales 3 through 7, at \$3,250 per acre to an adjusted \$6,211 per acre bracket the lower range. Thus the value of the subject would reasonably fall between the upper and lower set of value indicators, perhaps slightly higher than the mid-point due to its small size, accessible location, and suitability for farming. Based on this analysis of the market data, the concluded site value for the subject's non-buildable land is approximately **\$7,000/acre**. The subject contains 3.49 acres, and multiplied by \$7,000 the value calculates to \$24,430.

It has been noted that the subject's streamside areas have been improved with native plants at a substantial cost, reportedly \$25,000. The physical status of the subject parcel, including its vegetation, has been considered in the value conclusion. However, no market data was found to support an upward, dollar for dollar adjustment in value for restoring the streamside area, which was required in order to obtain approval for the proposed subdivision.

Considering the subject's legal and physical characteristics, supply and demand in the market for this type of property, and data presented by the comparable sales, my opinion of the market value of the subject property, in fee simple as of March 28, 2014, subject to any stated assumptions, is as follows:

TWENTY-FOUR THOUSAND FOUR HUNDRED THIRTY DOLLARS

\$ 24,430

Note: The value conclusion is not subject to any hypothetical conditions. The subject of the appraisal is a portion of an existing tax lot, which is an allowable scope of work under USPAP.

It is assumed that the site sizes that have been reported to me are accurate, that the subject property is free of environmental contamination. The property appears to be in a floodway and is assumed to be unbuildable. The appraiser is not responsible for matters involving title. No title report was provided, and it is assumed that there are no undiscovered easements, liens, or other encumbrances on the property that would have a detrimental impact on market value or marketability. If these assumptions prove to be otherwise, the value conclusion would be subject to revision.

The client is advised to review final site plans relative to the size of the parcel being acquired and have the seller procure the appropriate title insurance prior to sale.

CERTIFICATION

The undersigned does hereby certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my own personal, impartial, and unbiased professional analysis, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have not personal interest with respect to the parties involved. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
4. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. My compensation for this assignment is in no manner contingent upon returning a specified value, requested minimum value, approval of a loan, or conclusion. Additionally, my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP).
7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
8. No one provided significant professional assistance to the appraiser who prepared this report.
9. I have made an exterior on-site viewing of the property that is the subject of this report. I have viewed the exteriors of all comparable sales used in this report, except for comparable sale 3. For comparable 3, I have relied upon maps, aerial photographs, and other data, which is deemed sufficient in this case.
10. The Appraisal Institute conducts a program of continuing education for its designated members. As of the date of this report, I, Matthew Larrabee, MAI, have completed the continuing education program of the Appraisal Institute.
11. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.



Matthew Larrabee, MAI
Certified General Appraiser
Oregon State Certification #C000543

ORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

The legal description furnished me is assumed to be correct. I assume no responsibility for matters legal in character, nor do I render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, and the property is appraised as though free and clear, under responsible ownership and competent management.

The exhibits in this report are included to assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility in connection with such matters. Unless otherwise noted herein, it is assumed that there are no encroachments or any violations of building or zoning codes or of the Americans with Disabilities Act, and that there are no artifacts, historical resources, or habitat areas that would be detrimental to the value of the property. Information, estimates, and opinions contained in this report are obtained from sources considered reliable; however, no liability for them can be assumed by the appraiser.

This report shall be used for its intended purpose only and by the parties to whom it is addressed. Possession of this report does not include the right of publication, nor does it make one an intended user. Appraiser's liability is limited to the amount of appraisal fees actually paid, and liability extends only to the client named in this report. The contract to provide the work was entered into within the jurisdiction of Washington County, Oregon.

This document is an instrument of service and all intellectual property rights are retained by the author. Use of portions of the report out of context, or the resale of data, or placement of market data from this report into an electronic database is prohibited. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent or approval of the author. This applies particularly to value conclusions or to the identity of the appraiser or firm with which he is connected. The appraiser may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless a prior fee agreement has been made.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is not such material on the property that would cause a loss in value. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. The appraiser assumes no responsibility for determining if the property requires environmental approval by the appropriate governing agencies nor if it is in violation thereof.

Real estate markets can and do change, sometimes rapidly or unexpectedly. The statements of value and all conclusions shall apply as of the dates shown herein. All opinions of market value are presented as my considered opinion based on the facts and data appearing in the report. As an appraiser, I assume no responsibility for changes in market conditions or for the inability of the owner to locate a purchaser at the appraised value.

All other assumptions or conditions stated elsewhere in the body of the report are also made a part of these Assumptions and Limiting Conditions stated herein.

ADDENDA

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QUALIFICATIONS OF THE APPRAISER

MATTHEW LARRABEE, M.ARCH., MAI
 Principal Appraiser – Real Estate Services Group, Inc.
 10961 NW Crystal Creek, Portland, Oregon 97229



Tel.: 503.799.3374 · Email: matthew@resg.us; Larrabee.MAI@gmail.com

**PROFESSIONAL DESIGNATION
 & LEADERSHIP**

Member of the Appraisal Institute, MAI
 2009 President, Greater Oregon Chapter of the Appraisal Institute
 Washington County Planning Commission, 2009-2012
 Adjunct Professor, Portland State University, Center for Real Estate
 Adjunct Professor, Univ. of Portland, Pamplin School of Business

EDUCATION

Undergraduate Degree:
 University:

Bachelor of Arts, 1976 (Psychology)
 University of California - Berkeley, California

Graduate Degree:
 University:

Master of Architecture (M.Arch.), 1982 (Architecture)
 University of California - Los Angeles, California

Appraisal courses:

Appraisal Institute 705GRE
 Appraisal Institute
 American Society of Farm Mgr./Rural Appr's.
 Appraisal Institute Course 720
 Appraisal Institute Course 710
 Appraisal Institute Course 540
 Appraisal Institute Course 550
 Appraisal Institute Course 520
 Appraisal Institute Course 530
 Appraisal Institute Course 510
 Appraisal Institute Course
 Appraisal Institute Course 210
 Additional Coursework

Litigation Appraising: Specialized Topics & Applications – 2011
 The Valuation of Conservation Easements – 2009
 Fundamentals of Appraisal Review – 2006
 Condemnation Appraisal (Applications) – 1999
 Condemnation Appraisal (Principles) – 1999
 Report Writing and Valuation Analysis – 1999
 Advanced Applications – 1998
 Highest & Best Use and Market Analysis – (Challenge Exam 1998)
 Advanced Sales Comparison and Cost Approaches – 1997
 Advanced Income Capitalization – 1995 & 2011
 Standards of Professional Practice – 1995 & 2000
 Applied Residential Property Valuation – 1991
 Real Estate Law; Real Estate Finance; Real Estate Appraisal Foundations;
 Income Property Case Study & Narrative Report Writing – 1992-1995

Continuing Education:

Appraisal Institute
 Appraisal Institute
 Appraisal Institute
 American Society of Farm Mgr./Rural Appr's.
 Appraisal Institute &c
 Appraisal Institute
 Appraisal Institute
 Appraisal Institute
 Appraisal Institute
 Appraisal Institute
 Appraisal Institute
 Appraisal Foundation
 Appraisal Institute
 Marylhurst University
 Appraisal Institute
 American Society of Farm Mgr./Rural Appr's.
 American Society of Farm Mgr./Rural Appr's.
 Oregon Law Institute
 Appraisal Institute
 Appraisal Institute
 Oregon Society of Farm Mgrs./Rural Appr's.
 The Seminar Group
 Mt. Hood Community College
 Appraisal Institute
 International Right-of-Way Association
 Additional Continuing Education

Willamette Valley Agricultural Financing / Current Market
 Common Errors & Misconceptions - Yellow Book - 2011
 Case Studies in Partnership & Common Tenancy Valuation - 2009
 Ag Finance, Markets, Technology and Land Ownership - 2009
 USPAP – 2009,2011; Business Practices & Ethics - 2009
 Valuing Green Buildings - 2008
 Real Estate Finance, Statistics, and Valuation Modeling - 2008
 Appraising Convenience Stores - 2006
 Litigation Appraising: Specialized Topics - 2006
 Valuation of Detrimental Conditions in Real Estate- 2006
 Analyzing Distressed Real Estate - 2005
 USPAP Instructor's Course - 2002; Recertification - 2005, 2007
 Subdivision Analysis – 2005; Measure 37 - 2005
 Uncertainties of Measure 37 - 2005
 Small Hotel/Motel Valuation - 2005
 Yellow Book: Uniform Appr'l. Stds. for Federal Land Acquisitions - 2005
 Timber and Timberland Evaluation - 2005
 Measure 37 Summit - 2005
 Land Valuation - 2004
 Evaluating Commercial Construction - 2004
 Appraising Unique, Complex & Mixed Use Agricultural Properties - 2004
 Eminent Domain - 2003
 Corridor Valuation - 2002
 Attacking & Defending Appraisals in Litigation - 2001
 Federal Yellow Book Updates - 2001
 Oregon Law Institute-Recent Issues Affecting Land Use Development;
 Non-urban Properties Symposium- Construction Costs - 1996, 2001

LICENSING, PROFESSIONAL AFFILIATIONS, and AWARDS

- Member of the Appraisal Institute, MAI (Designation awarded 2004)
- Member, Oregon Society of Farm Managers & Rural Appraisers (2004-present)
- Oregon State Certified General Appraiser (Certificate C000543; First certified 1996, expires 3/31/2014)
- Washington State Certified General Appraiser (Certificate 1101827, expires 3/2/2015)
- AQB national USPAP Instructor, certified by the Appraisal Foundation (Certif. 10135; 2002-3/2010)
- Appraisal Institute Instructor (2005-present)
- California Registered Architect (Certificate No. C20644; First licensed 1989, expires 3/31/2015)
- Appraisal Institute’s Leadership Development & Advisory Council (LDAC), Washington DC (2005)
- 2006 Secretary of the Greater Oregon Chapter of the Appraisal Institute
- 2007 Treasurer of the Greater Oregon Chapter of the Appraisal Institute
- 2008 Vice President of the Greater Oregon Chapter of the Appraisal Institute
- 2009 President of the Greater Oregon Chapter of the Appraisal Institute
- Education Committee Chairman, Greater Oregon Chapter of the Appraisal Institute (2006-2008; 2010-present)
- Appraisal Institute, Greater Oregon Chapter, President’s Service Award, 2004
- Appraisal Institute, Greater Oregon Chapter, Outstanding Service & Leadership Award, 2011

REAL ESTATE APPRAISAL & CONSULTING EXPERIENCE

2004-present: Principal Appraiser and President, **Real Estate Services Group, Inc.** – Providing real estate appraisal, consultation, expert witness testimony, and instructional services for private and public sector clients in the Pacific Northwest. Recent valuation assignments include: 225 acre waterfront parcel on the Columbia River in Pacific County, Washington; 37 acres of residential land in Happy Valley; 405 acre grass seed farm in Washington County; 89 acres of land for tribal fishing rights in Klickitat County; 552,000 square foot main US Post Office in Portland; twelve commercial properties for right-of-way acquisition in Deschutes County; 88 acre conservation easement in Multnomah County; 71,000 SF manufacturing facility in Lake Oswego; 107 acres of oceanfront land encumbered by conservation easements; testimony relative to a claim against City of Milwaukie; parking garage and retail building in Portland CBD; 194,000 square foot Class A office building in Clark County; communications towers in Washington County and Cape Blanco, Oregon.

1994-2004: Senior Staff Appraiser/Staff Appraiser/Research Assistant - **Moscato, Ofner & Henningsen, Inc.**, Portland, Oregon (Louis J. Moscato, MAI, Lawrence E. Ofner, MAI, and Scott Henningsen, MAI, Principals) – Primary duties were the appraisal of existing and proposed commercial/industrial/multifamily real estate, subdivisions, and vacant land, for private and public sector clients in the Pacific Northwest. A number of complex assignments required the coordination of engineering and legal consultants, and development pre-application conferences with planning staff of governmental agencies.

1993-1994: Staff Appraiser - **Cotton & Associates**, Danville, California – Primary duties were to appraise one-to-four family residential properties as a state licensed appraiser in the San Francisco Bay Area. (Charles Cotton, Certif. Gen. Appraiser, Principal); 1982-1992: Various employers - Practice of architecture in California

TYPES OF APPRAISAL ASSIGNMENTS

Eminent Domain / Public Acquisition
 Subdivisions / Residential Land
 Shopping Centers / Retail
 Industrial / Business Park
 Office & Medical Office Buildings
 Apartments & Condominiums
 School Buildings/Churches
 Forested Lands
 Residential Single-Family
 Contaminated Properties

Appraisal Review
 Rural Land
 Constrained Sites
 Conservation Land Purchases
 Commercial/Industrial Land
 Expert Witness Testimony
 Transitional Lands
 Conservation Easements and TDRs
 Valuation of Estates / Fractional Interests
 Construction Defects

TEACHING & CURRICULUM DEVELOPMENT

Instructor for the **Appraisal Institute** Fall 2004-present. Courses taught include Income Capitalization, Basic Appraisal Principles, Basic Appraisal Procedures, General Market Analysis and Highest & Best Use, Uniform Standards of Professional Appraisal Practice (USPAP), HP 12C Calculator, Residential Market Conditions seminar. Regular instructor for the Greater Oregon Chapter; taught GMA/HBU for AI in Tianjin, China, August 2011.

University of Portland, Adjunct Assistant Professor, Pamplin School of Business, Real Estate Finance (Business 491/562), January 2011 - present. Continuing instructor, Spring 2012.

Portland State University, Adjunct Professor, School of Business Administration (Center for Real Estate), Real Estate Valuation I (Finance 439/539), January 2008 - present.

Marylhurst University, Center for Professional Real Estate Studies, Marylhurst, Oregon, 2001-2008; Adjunct Instructor. Developed and taught RE 350E-Building Design & Construction; RE 430E-Environmental Issues and Hazards; RE 440-The Real Estate Development Process.

Other Instructional Experience: **Appraisal Foundation**, Washington, DC, 2002-2010, nationally certified instructor, Uniform Standards of Professional Appraisal Practice (USPAP). **Land Trust Alliance**, 2011 national Rally, Milwaukee, Wisconsin, Seminar: The Art of Choosing an Appraiser; **International Right of Way Association**, 2005 & 2006 state chapter meetings in Hood River, The Ethical Dilemma; Highest and Best Use in Measure 37 Appraisals. **American College of Real Estate Appraisal**, Portland, Oregon, 2002-2006, Instructor, Income Property Appraisal; Basic Appraisal; Case Studies in Income Property Appraisal; Vacant Land Appraisal; Highest & Best Use; Condemnation; USPAP Compliance Workshop; Case Studies in USPAP. **Mt. Hood Community College**, (The Center for Community & Workforce Development) Troutdale, Oregon, 1999 and 2003, Instructor; USPAP; Transitional Properties; Vacant Land; Residential Construction; Condemnation. **McKissock Real Estate Appraisal School** 2000-2003, Instructor, USPAP; Factory-built Housing; Current Issues; Vacant Land; Residential Report Writing; Income Property Appraisal. Course developer, Vacant Land Appraisal.

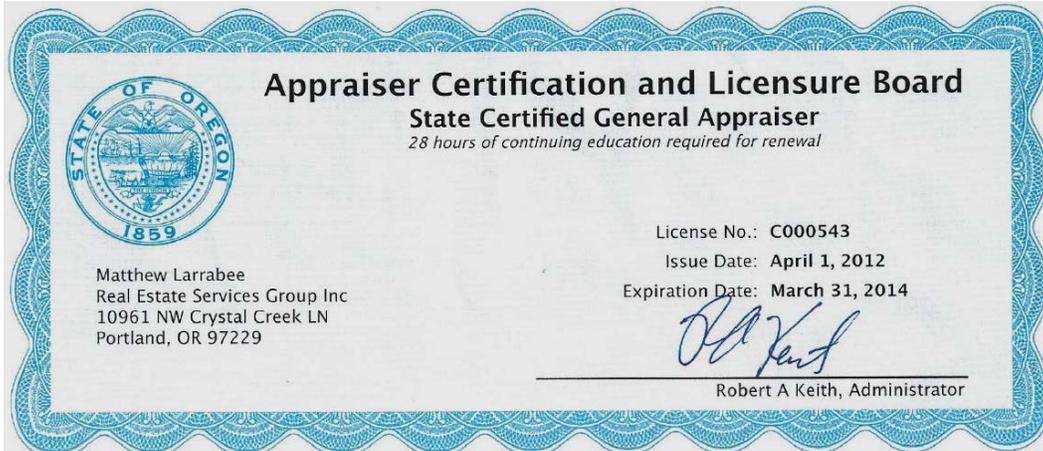
COMMUNITY SERVICE & PROFESSIONAL ACTIVITIES

- Washington County Planning Commission
- PSU Center for Real Estate Studies, Scholarship Committee
- Fundraising activities for St. Cecilia School, Beaverton and St. Mary’s Academy, Portland
- Contributor to *The Dictionary of Real Estate Appraisal*, 4th Ed., publ. Appraisal Institute, Chicago 2002
- Frequent teaching of real estate and real estate appraisal classes

PARTIAL LIST OF CLIENTS

| | |
|----------------------------|---|
| Bullivant Houser | Bank of the West |
| Cofield Law Office | Bank of the Cascades |
| Davis Rothwell | KeyBank |
| Dunn Carney | Umpqua Bank |
| Gevurtz Menashe | Metro |
| Lindsay Hart | TriMet |
| Markowitz Herbold | Oregon Dept. of Transportation |
| Moore & Ballard | US Dept. of the Interior – Bureau of Land Mgmt. |
| Samuels Yoelin Kantor | US National Park Service |
| Smith Freed & Eberhard | Bonneville Power |
| Sussman Shank | Western Rivers Conservancy |
| Zupancic Group | Columbia Land Trust |
| US Army Corps of Engineers | US Fish & Wildlife |
| The Nature Conservancy | The Trust for Public Land |

OREGON GENERAL CERTIFICATION C000543



Expiration Date: 3/31/2014



Expiration Date: 3/31/2016

DEFINITIONS

DEFINITIONS

Market Value - The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994; Title XI of FIRREA)

Fee Simple Estate - As defined in *The Dictionary of Real Estate Appraisal (4th Ed.)* by the Appraisal Institute, fee simple estate is:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Extraordinary assumptions and hypothetical conditions are defined in USPAP as follows:

Extraordinary Assumption: an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Hypothetical Condition: a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Extraordinary Assumptions and Hypothetical Conditions, if any, are stated in the Executive Summary and immediately after the conclusion of value.

Exposure Period and Marketing Time - Exposure time is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; in other words a retrospective estimate based upon an analysis of past market conditions. Marketing time is an estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value during the period immediately after the effective date of an appraisal.

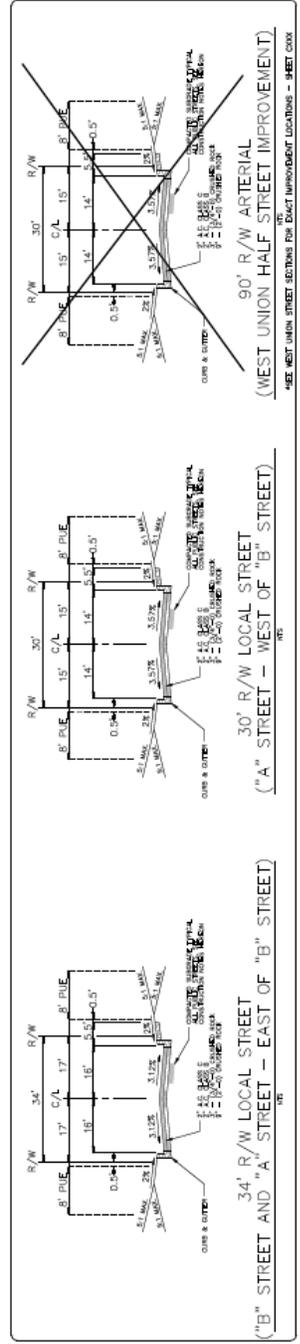
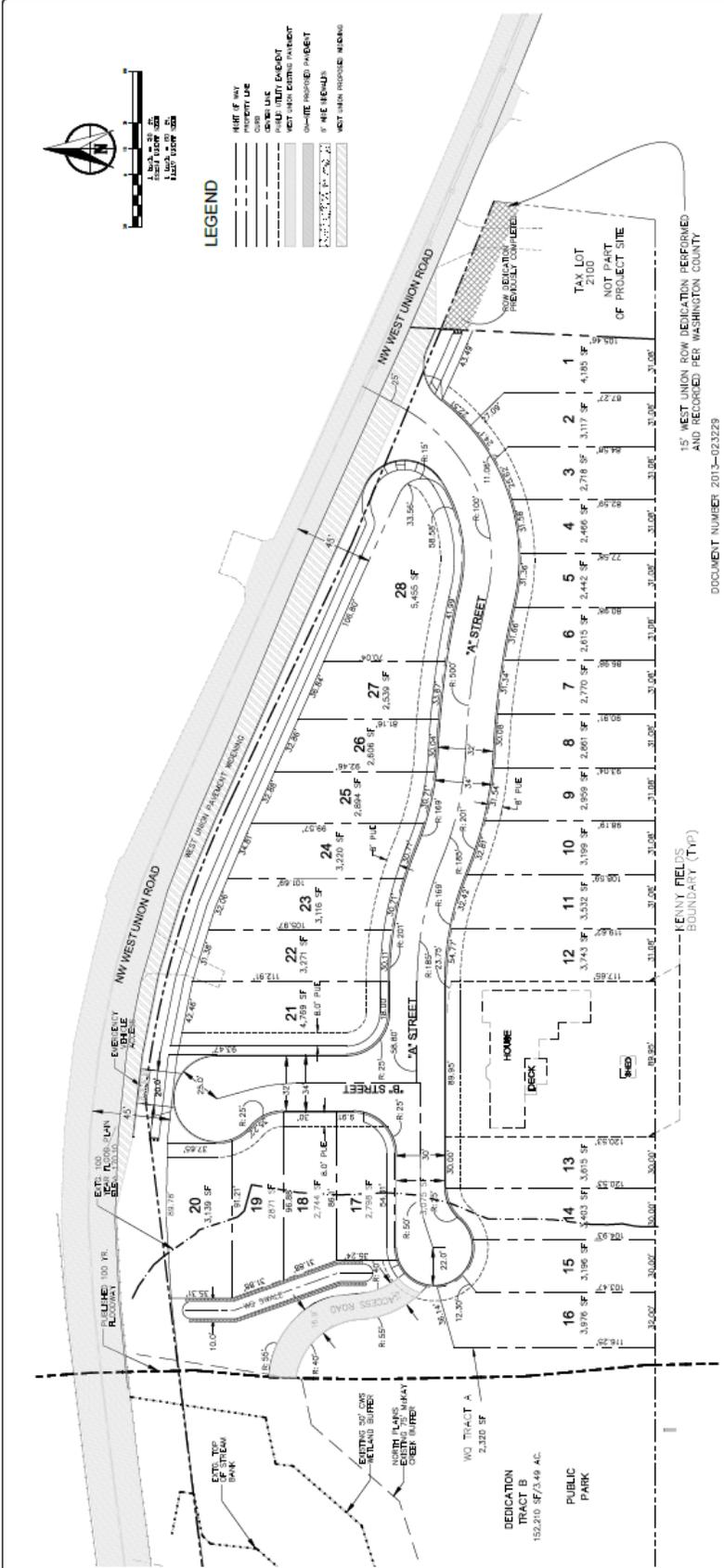
REVISED SUBDIVISION PLAN

KITTRIDGE ENGINEERS, LLC
 6545 SW 20TH AVENUE
 ALMO, OR 97007
 TEL (503) 708-3942

PRELIMINARY PLAN
 WITH STREET AND DRIVEWAY SECTIONS
 J T ROTH
 12600 SW 22ND AVE, SUITE 200
 503-639-2639 - TM ROTH

DATE: 3-15-2014
 DRAWN BY: GPK
 PROJECT NO.: 008-MOD/PEP/ASNR
 CHECKED BY: GPK
 PROJECT NUMBER
 JRT-001
 CASE FILE NUMBER
 N/A

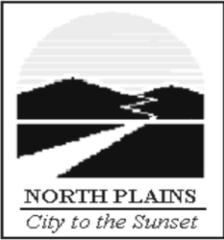
SHEET NUMBER
0104
 OF X



DOCUMENT NUMBER 2013-023229

15' WEST UNION ROW DEDICATION (RESERVED) AND RECORDED PER WASHINGTON COUNTY

WASHINGTON COUNTY CASEFILE NO. 02-13
 CITY OF NORTH PLAINS CASEFILE NO. McKay Fields 008-MOD/PEP/ASNR



CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: April 30, 2014
 To: City Council
 From: Martha DeBry, City Manager
 Subject: Resolution No.1828 adjusting salary ranges

Request: Council consider adjusting salary ranges for City employees.

Background: The City has an adopted schedule of salaries which can be found at http://cityofnp.org/files/6013/9361/6915/salary_schedule.pdf After reviewing the schedule staff is recommending that it be simplified and expanded to include training classifications. The following recommendations are proposed in the 2014/15 budget:

- I. All ranges consist of 5 steps instead of 6, which is more consistent with other public agencies. There is no requirement that the City is consistent with other agencies but it makes apples-to-apples comparisons of salary an easier process.
- II. Step A of the existing ranges for following classifications is eliminated: City Manager, Police Chief, Police Officer, and Account Clerk II. Step A was referred to as a training step. For professional positions with contracts such as City Manager or Police Chief this is not needed or appropriate. New Police Officers who have not completed the police academy will be paid a lower rate that is not part of the officer pay range.
- III. Step E of the existing ranges for the following classifications is eliminated: Utility Worker III, Utility Worker II. Step E was originally considered a “bonus” step and not automatically earned through performance. Several long-term employees in the Public Works Department have never acquired the highest step. Because the classifications have above average compensation for the area, it is recommended the top step be eliminated. Survey summaries prepared by Milliman have been distributed to Council.
- IV. Step E of the existing range for Public Works Director will be eliminated. The top step has never been awarded and to maintain some internal alignment of salaries between management classes, it is recommended the top step be eliminated.
- V. Training classifications of Utility Worker I and Account Clerk I are created at 10% below the journey level of Utility Worker II and Account Clerk II respectively.

Per Council’s request the schedule has been updated to include the rates of pay for employees, both full-time and part-time, which is included in Council’s packet.

Recommendation: Council adopt Resolution No.1828 approving the new salary range schedule.

Sample Motions: I move to adopt Resolution No.1828.

City of North Plains
FY14 Salary schedule
 April 23, 2014

SALARIED EMPLOYEES

A B C D E F

CITY MANAGER (Exempt)

| | | | | | | |
|-----------|----------|----------|----------|----------|----------|----------|
| Annually | 71,714 | 75,300 | 79,065 | 83,018 | 87,169 | 91,527 |
| Monthly | 5,976 | 6,275 | 6,589 | 6,918 | 7,264 | 7,627 |
| Bi-weekly | 2,758.23 | 2,896.14 | 3,040.95 | 3,193.00 | 3,352.65 | 3,520.28 |
| Hourly | 34.48 | 36.20 | 38.01 | 39.91 | 41.91 | 44.00 |

POLICE CHIEF (Exempt)

| | | | | | | |
|-----------|----------|----------|----------|----------|----------|----------|
| Annually | 63,994 | 67,193 | 70,553 | 74,081 | 77,785 | 81,674 |
| Monthly | 5,333 | 5,599 | 5,879 | 6,173 | 6,482 | 6,806 |
| Bi-weekly | 2,461.29 | 2,584.36 | 2,713.57 | 2,849.25 | 2,991.72 | 3,141.30 |
| Hourly | 30.77 | 32.30 | 33.92 | 35.62 | 37.40 | 39.27 |

POLICE OFFICERS

| | | | | | | |
|-----------|----------|----------|----------|----------|----------|----------|
| Annually | 49,065 | 51,518 | 54,094 | 56,799 | 59,639 | 62,621 |
| Monthly | 4,089 | 4,293 | 4,508 | 4,733 | 4,970 | 5,218 |
| Bi-weekly | 1,887.12 | 1,981.47 | 2,080.54 | 2,184.57 | 2,293.80 | 2,408.49 |
| Hourly | 23.59 | 24.77 | 26.01 | 27.31 | 28.67 | 30.11 |

PUBLIC WORKS DIRECTOR (Exempt)

| | | | | | | |
|-----------|----------|----------|----------|----------|----------|----------|
| Annually | 69,775 | 73,264 | 76,927 | 80,773 | 84,812 | 89,052 |
| Monthly | 5,815 | 6,105 | 6,411 | 6,731 | 7,068 | 7,421 |
| Bi-weekly | 2,683.65 | 2,817.83 | 2,958.72 | 3,106.66 | 3,261.99 | 3,425.09 |
| Hourly | 33.55 | 35.22 | 36.98 | 38.83 | 40.77 | 42.81 |

UTILITY WORKER III

| | | | | | | |
|-----------|----------|----------|----------|----------|----------|----------|
| Annually | 47,159 | 49,517 | 51,993 | 54,592 | 57,322 | 60,188 |
| Monthly | 3,930 | 4,126 | 4,333 | 4,549 | 4,777 | 5,016 |
| Bi-weekly | 1,813.80 | 1,904.49 | 1,999.72 | 2,099.71 | 2,204.69 | 2,314.93 |
| Hourly | 22.67 | 23.81 | 25.00 | 26.25 | 27.56 | 28.94 |

UTILITY WORKER II

| | | | | | | |
|-----------|----------|----------|----------|----------|----------|----------|
| Annually | 37,754 | 39,641 | 41,624 | 43,705 | 45,890 | 48,184 |
| Monthly | 3,146 | 3,303 | 3,469 | 3,642 | 3,824 | 4,015 |
| Bi-weekly | 1,452.07 | 1,524.67 | 1,600.91 | 1,680.95 | 1,765.00 | 1,853.25 |
| Hourly | 18.15 | 19.06 | 20.01 | 21.01 | 22.06 | 23.17 |

ACCOUNT CLERK II

| | | | | | | |
|-----------|----------|----------|----------|----------|----------|----------|
| Annually | 35,051 | 36,804 | 38,644 | 40,576 | 42,605 | 44,735 |
| Monthly | 2,921 | 3,067 | 3,220 | 3,381 | 3,550 | 3,728 |
| Bi-weekly | 1,348.12 | 1,415.52 | 1,486.30 | 1,560.61 | 1,638.64 | 1,720.57 |
| Hourly | 16.85 | 17.69 | 18.58 | 19.51 | 20.48 | 21.51 |

ACCOUNT CLERK II

| | | | | | | |
|-----------|----------|----------|----------|----------|----------|----------|
| Annually | 35,051 | 36,804 | 38,644 | 40,576 | 42,605 | 44,735 |
| Monthly | 2,921 | 3,067 | 3,220 | 3,381 | 3,550 | 3,728 |
| Bi-weekly | 1,348.12 | 1,415.52 | 1,486.30 | 1,560.61 | 1,638.64 | 1,720.57 |
| Hourly | 16.85 | 17.69 | 18.58 | 19.51 | 20.48 | 21.51 |

CITY RECORDER

| | | | | | | |
|-----------|----------|----------|----------|----------|----------|----------|
| Annually | 35,051 | 36,804 | 38,644 | 40,576 | 42,605 | 44,735 |
| Monthly | 2,921 | 3,067 | 3,220 | 3,381 | 3,550 | 3,728 |
| Bi-weekly | 1,348.12 | 1,415.52 | 1,486.30 | 1,560.61 | 1,638.64 | 1,720.57 |
| Hourly | 16.85 | 17.69 | 18.58 | 19.51 | 20.48 | 21.51 |

HOURLY EMPLOYEES

| | | | | | | |
|------------------------|-------|-------|-------|-------|-------|-------|
| Laborer | | 10.00 | 10.50 | 11.03 | 11.58 | 12.16 |
| Skilled Laborer | | 15.00 | 15.75 | 16.54 | 17.36 | 18.23 |
| Clerical | 10.00 | 10.50 | 11.03 | 11.58 | 12.16 | 12.76 |
| Library Clerk 1 | 11.20 | 11.76 | 12.35 | 12.97 | 13.62 | 14.30 |
| Library Clerk 2 | 11.20 | 11.76 | 12.35 | 12.97 | 13.62 | 14.30 |
| Library Clerk 3 | 11.20 | 11.76 | 12.35 | 12.97 | 13.62 | 14.30 |
| Library Clerk 4 | 11.20 | 11.76 | 12.35 | 12.97 | 13.62 | 14.30 |
| Library Clerk/IT Asst | 15.39 | 16.16 | 16.97 | 17.82 | 18.71 | 19.64 |
| Volunteer Coordinator | 18.17 | 19.08 | 20.03 | 21.03 | 22.09 | 23.19 |
| Cataloguer | 15.39 | 16.16 | 16.97 | 17.82 | 18.71 | 19.64 |
| Youth Librarian | 18.17 | 19.08 | 20.03 | 21.03 | 22.09 | 23.19 |
| Library Director | 23.62 | 24.80 | 26.04 | 27.34 | 28.71 | 30.15 |
| Management Analyst | | 15.39 | 16.16 | 16.97 | 17.82 | 18.71 |
| Finance Manager | 55.00 | | | | | |
| Police Academy Recruit | 21.23 | | | | | |
| Reserve Officers | 23.59 | | | | | |

| | | PROPOSED | RANGE | | | |
|---|---|----------|-------|--------|--------|--------|
| | | 1 | 2 | 3 | 4 | 5 |
| ACCOUNT CLERK I | | | | | | |
| DEPUTY CITY RECORDER | | | | | | |
| Annually | 0 | 33382 | 35051 | 36,804 | 38,644 | 40,576 |
| Bi-weekly | | 1283 | 1348 | 1,416 | 1,486 | 1,561 |
| Hourly | | 16.05 | 16.85 | 17.69 | 18.58 | 19.51 |
| HOURLY EMPLOYEES | | | | | | |
| Laborer | 2 | 10.00 | 10.50 | 11.03 | 11.58 | 12.16 |
| Skilled Laborer | 1 | 15.00 | 15.75 | 16.54 | 17.36 | 18.23 |
| Clerical | 1 | 10.00 | 10.50 | 11.03 | 11.58 | 12.16 |
| Library Clerks | 4 | 11.20 | 11.76 | 12.35 | 12.97 | 13.62 |
| IT Asst/Cataloger | 2 | 15.39 | 16.16 | 16.97 | 17.82 | 18.71 |
| Volunteer Coordinator/ Youth Librarian | 2 | 18.17 | 19.08 | 20.03 | 21.04 | 22.09 |
| Library Director | 1 | 23.30 | 24.80 | 26.04 | 27.34 | 28.71 |
| Management Analyst | 1 | 15.39 | 16.16 | 16.97 | 17.82 | 18.71 |
| Finance Manager | 1 | 55.00 | | | | |
| Police Academy Cadet | 0 | 21.23 | | | | |

RESOLUTION NO. 1828

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORTH PLAINS,
OREGON, REVISING COMPENSATION RANGES FOR CITY EMPLOYEE
CLASSIFICATIONS, FOR FISCAL YEAR 2014 - 2015**

WHEREAS, the City Council has established salary ranges for all allocated positions; and

WHEREAS, the City has reviewed a 2014 survey of public employer compensation prepared by Milliman; and

WHEREAS, the City maintains a 6 step (A-F) salary range which is broader than ranges used by most area agencies; and

WHEREAS, step A is typically assigned to probationary employees without experience; and

WHEREAS, experienced professionals are rarely assigned to the probationary rate and in most instances are under contract with the City; and

WHEREAS, step F is awarded for exceptional service which is not well defined in the City's policies, and this has resulted in a skewing of interpretation of compensation paid by the City (i.e. while F is used for comparison reasons, most long-term employees are unable to obtain the final step); and

WHEREAS, the creation of entry level classifications for Utility Worker, Account Clerk and Deputy City Recorder would reduce the City's expenses when hiring inexperienced workers; and

WHEREAS, progression from an entry level classification to a journey level classification is typically permitted as employees gain years of experience with satisfactory performance; and

WHEREAS, a Police Academy Recruit rate is sometimes provided to public employees who are selected for a Police Officer position but who have not yet attained the appropriate certifications for a police officer in the State of Oregon; and

WHEREAS, the City has the opportunity to amend its schedule without affecting the pay rates of current employees or increasing budgeted expenses.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH PLAINS, OREGON, AS FOLLOWS:

Section 1: The City shall use five step ranges effective July 1, 2014.

Section 2: The bottom step from the following classes shall be eliminated: City Manager, Police Chief, Police Officer, and Accounting Clerk II.

Section 3: The top step from the following classes shall be eliminated: Public Works Director, Utility Worker III, and Utility Worker II.

- Section 4:** Salary ranges are created for entry level classifications of Account Clerk, Deputy City Recorder and Utility Worker I.
- Section 5:** A Police Academy Recruit rate is created for employees who are required to attend a police academy.
- Section 6:** This Resolution shall become effective immediately upon adoption by the City Council.

INTRODUCED AND ADOPTED this 5th day of May 2014.

CITY OF NORTH PLAINS, OREGON

BY: _____
David Hatcher, Mayor

ATTEST:

BY: _____
Margaret L. Reh, City Recorder



CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: April 28, 2014
To: City Council
From: Martha DeBry, City Manager
Subject: Resolution No.1832 Naming the Park on Curtis Street.

Request: Council consider names for the new park on Curtis Street

Background: The City recently accepted the park on Curtis Street between Pacific and Highland Court.

On April 21, 2014 Council discussed names proposed through Facebook for the park. At that time some support for name LaMordden Park was identified. Attached is the obituary for the Lloyd LaMordden, who recently passed away at the age 92. Mr. LaMordden and other members of his family were active in the North Plains Christian Church. Lloyd D. LaMordden still lives in North Plains in the house across from Subway. He indicated that he would be glad to see the park named after his family.

Council decided that members of Council could submit their top few choices and the list would be pared down at the May 5, 2014 Council meeting. A shortened list of park names will be distributed at the meeting.

Recommendation: Council adopt Resolution No.1832 naming the park on Curtis Street.

Sample Motions:

I move to adopt Resolution No. 1832 selecting (name) as the name of the park on Curtis Street.

CITY OF NORTH PLAINS PARK NAMING AND PLAQUE POLICY

Purpose

The purpose of the policy is to establish consistent standard procedures and guidelines for the naming of public park lands owned and/or operated by the City of North Plains. The renaming of parks is strongly discouraged.

Policy

The naming of City parks, park areas and park facilities shall be the function of the City Council, with opportunities for community comment at public forums. City Council has final authority to approve or amend any recommendation. Diversity, balance and creativity will be sought during adoption of names.

Objectives

1. Provide name identification for individual parks, park areas or park facilities.
2. Provide criteria for the process of naming parks, park areas or park facilities.
3. Provide opportunities for public input including a public gatherings or meetings.
4. Ensure that the naming of parks, park areas, or park facilities is controlled by the City Council.

Criteria

The naming of parks, park areas, and park facilities should be approached with caution, patience, and deliberation. Names submitted for consideration should provide some form of individual identity in relation to the following:

1. The geographic location of the facility; this includes descriptive names.
2. An outstanding feature of the facility.
3. An adjoining subdivision, street, school, or natural feature. No park shall be given the same name as an existing school site or public facility, except where the sites abut one another.
4. A commonly recognized historical event, group, organization or individual (living or deceased).
5. An individual or organization that contributed significantly to the acquisition or development of the facility to be named. This can include either a deed or substantial monetary contribution, or contribution toward acquisition and/or development of the park

or park facility (typically not less than 50 percent of the value of the property or improvements).

6. Outstanding accomplishments by an individual for the good of the community. Quality of the contribution should be considered along with the length of service by the individual – this to be fully substantiated by person making recommendation.
7. Any individual who provided an exceptional service in the interest of the park system as a whole.
8. Typically, while serving in a public office, public officials should not be considered as a candidate for naming.

Donated Land

Parks and park facilities that are donated to the City can be named by deed restriction by the donor. The naming and acceptance of land is subject to recommendation by the Planning Commission and approval by City Council. Naming rights are not guaranteed if the donation of park land is a dedication as required by the Subdivision Ordinance (park land dedication).

Naming Process

Public Works staff will notify the Council about naming opportunities. The recommendation of staff will be subject to final approval or amendment by City Council action.

1. Temporary Naming

In the case of a new project, a temporary name will be designated by the City staff for identification during acquisition and/or development of the park area or park facility. Because temporary designations tend to be retained, the naming process for a new park should be carried out as quickly as possible after its acquisition or development.

2. Permanent Naming

Citizen involvement in the naming process is encouraged and may be accomplished in a variety of ways throughout the naming process.

A. Individuals, groups and/or organizations interested in proposing a name for an existing un-named park area or park facility may do so in writing using a “Park Naming Form” that outlines the naming criteria. These will be presented to City Council.

B. A variety of means to encourage public participation to submit a name (citizen contests, recommendations from previous owners, historical review of the site, etc.) may be implemented by staff at the request of the City Council. The “Park Naming Form” will be available through the City web site and at City Hall

C. The City Council will accept public comment when considering park names.

3. Park Renaming

Critical examination will be conducted to ensure that renaming the park will not diminish the original justification for the name or the prior contributors. Renaming will follow the same procedures as naming the park.

- A. Only parks and facilities named for geographic location, outstanding feature or subdivision should be considered for renaming. Parks that have been named by deed restriction shall not be considered for renaming.
- B. Parks and facilities named after individuals shall not be changed unless it is found that because of the individual's character the continued use of their name would not be in the best interest of the community.

Signage Process

The Public Works Director shall be responsible for the oversight and signage of City parks. Signage shall be installed for the two following types of parks:

1. General City Parks

A maximum sign size of 24 inches by 18 inches, in green and white metal sign shall be placed in the entryway to each general City Park. The sign shall display the City's logo in color as well as indicate the park name and state City Park.

2. Memorial Park Plaques

A 10 inch by 20 inch cast plaque may be placed in memorial parks if donated to the City. The name shall be in 60 point Arial font, the years shall be in 50 point font and the individual's information shall be in 41 point font. The individual information shall be obtained from the memorialized person's family or organization. The plaques shall be placed on a rock surface.

City Park directional signage shall be placed on the main intersection of the street on which the City park is situated.

Examples of signage are attached in Exhibit A.

MAD/mad/LJG/ljg

Established and Adopted by Resolution No. 1683, 10/17/11

May 2014 Council Calendar

| <i>Meeting</i> | <i>Primary</i> | <i>Alternate</i> | <i>Note</i> | <i>Date</i> |
|---|----------------|------------------|--|--------------|
| City Wide Garage Sale | | | Saturday—all over North Plains | 05/03 |
| BBQ on the Porch | | | North Plains Senior Center 10:30-2:00 | 05/03 |
| North Plains Community Garden Club Plant Sale | | | Jessie Mays Community Park 8:00-4:00 | 05/03 |
| City Council | | | 7:00 p.m. at Jessie Mays Community Hall | 05/05 |
| May Clean-Up Day | | | Jessie Mays at 8:00 a.m. | 05/10 |
| Super Saturday: The Portland Ballet | | | Jessie Mays at 1:00 p.m. | 05/10 |
| Spring Opening of the North Plains Community Garden | | | Commercial Street at the Community Gardens 1:00 p.m. | 05/10 |
| Mother's Day | | | | 05/11 |
| Washington County Office of Community Development Policy Advisory Board | Kindel | Demagalski | 2 nd Thursday @ 7 p.m. | 05/08 |
| Planning Commission | Newton | | 2 nd Wednesday @ 7 p.m. | 05/14 |
| Washington County Coordinating Committee (WCCC) | Hatcher | DeBry | 2 nd Monday @ 12 noon | 05/12 |
| Library Board- (CANCELLED) | Warren | | 3 rd Wednesday @ 7 p.m. | 05/21 |
| City Council | | | 7:00 p.m. at Jessie Mays Community Hall | 05/19 |
| Sandy River Rafting Trip | | | Advanced registration required. Taking off from Jessie Mays at 8:30 a.m. | 05/24 |
| Metro Policy Advisory Committee (MPAC) | Hatcher | | 4 th Wednesday @ 5 p.m. | 05/28 |
| Parks Board | | | 4 th Wednesday @ 7 p.m. | 05/28 |
| Metropolitan Area Communications Commission (MACC) | Warren | Demagalski | | |