

ADAIR VILLAGE CITY COUNCIL-Final
City Hall - 6030 Wm. R Carr Av.
******Tuesday, May 1, 2018 - 6:00 pm******

1. ROLL CALL – Flag Salute

2. CONSENT CALENDAR: - *The following items are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council member so requests, in which case the item will be discussed before the Consent Calendar is considered. If any item involves a potential conflict of interest, Council members should so note before adoption of the Consent Calendar.*

- a. Minutes – City Council Meeting – April 3, 2018 (Attachment A)
- b. Bills List through – April 30, 2018 (Attachment B) – \$80,231.77

3. PUBLIC COMMENT (Please limit comments to 3 minutes)

4. STAFF REPORTS:

- a) Community Service Officer (CSO) Report (Attachment C) Jerry Jackson
- b) Public Works (Attachment D) Pat Hare
- c) City Administrator (Attachment E) Pat Hare
- d) Sheriff's Report (Attachment F) Pat Hare
- e) Financial Report-Through April 30, 2018 (Attachments G, G-1) Pat Hare

5. OLD BUSINESS:

- a) Sweet Taste Bakery Lease Agreement (Attachment H) Pat Hare
Action: Discussion/Decision

6. NEW BUSINESS:

- a) Appoint New City Councilor/Oath of Office (Bret Ray, Alan Rowe) (Attachment I) Bill Currier
Action: Decision
- b) Century Link Franchise Agreement (Attachment J) Pat Hare
Action: Discussion
- c) Benton County Criminal Justice Assessment (Attachment K) Joe Kerby/Xan Augerot
Action: Decision

7. ORDINANCES, RESOLUTIONS, AND PROCLAMATIONS:

- a) N/A
Action: N/A

8. EXECUTIVE SESSION ORS 192.660 (2):

- a) N/A
Action: N/A

9. COUNCIL and MAYOR COMMENTS:

10. ADJOURNMENT:

Next meetings -

City Council–Tuesday, June 5, 2018 6:00 PM
Planning Commission- Monday, May 21, 2018 6:00 PM

The Community Center is accessible to person with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting by calling City Offices at 541-745-5507 or e-mail "kathy.edmaiston@adairvillage.org.", or Oregon Relay Services by dialing 7-1-1. The City of Adair Village is an Equal Opportunity Employer.

The order in which items on the Agenda are addressed by the City Council may vary from the order shown on the Agenda.

**ADAIR VILLAGE
CITY COUNCIL MINUTES
6030 William R. Carr Avenue
****Tuesday, April 3, 2018 – 6:00 PM******

Agenda Item	Action
<p>1. Roll Call: City Council Members present: Councilors Real, King, and Mayor Currier were present. CA (City Administrator) Hare was present. City Attorney Sean Kidd was present. Minutes were taken by Utility Clerk Kathy Edmaiston. Councilor Rowe was absent.</p>	<p>Mayor Currier called the meeting to order at 6:00 PM and led the flag salute.</p>
<p>2. Consent Calendar (Agenda Item 2). Minutes of March 6, 2018 City Council Meeting. Bills List through March 31, 2018, (\$67,428.05 total).</p>	<p>Councilor King moved to approve the Consent Calendar as presented. Councilor Real seconded. Unanimous Approval (3-0).</p>
<p>3. Public Comment (Agenda Item 3). None.</p>	
<p>4. Attachment C – Community Services Officer (Agenda Item 4a). CSO Jerry Jackson presented the report.</p> <p>CSO Jackson will draft a fee schedule for parking and nuisance violations and bring that back to City Council.</p> <p>CA Hare said he hopes Public Works will have installed No Parking signs and painted curbs around the City by June 1, 2018.</p>	<p>Council received the report.</p>
<p>5. Attachment D – Public Works (Agenda Item 4b). CA Hare presented the report.</p>	<p>Council received the report.</p>
<p>6. Attachments H, H1 – Republic Service Rate Increase (Agenda Item 6d). Julie Jackson, Municipal Manager of Republic Services, was present and spoke to the Council regarding recycling and a proposed rate increase.</p> <p>CA Hare will prepare a Resolution regarding the increase and bring it to the May meeting.</p>	<p>Council received the information.</p>
<p>7. Attachment E – City Administrator’s Report (Agenda Item 4c). CA Hare presented the report.</p> <p>Administration</p> <ul style="list-style-type: none"> • Barracks Loan – The loan has been received from US Bank. We will begin cleaning out the barracks this month and begin to get quotes on the work. • CSME Model Railroad – CSME has requested to paint their side of the interior and to have their electrician install their electrical. 	<p>Council received the report.</p>

<ul style="list-style-type: none"> • Finance/Administrative Assistant – Jessica II has accepted the position. She started two weeks ago and has been doing well. <p>Property/Businesses</p> <ul style="list-style-type: none"> • AV Market – Paul and Randall have been working to get the store cleaned up. • AVIS - Work will begin this spring on the cleanup efforts at the industrial site. <p>Major Projects/Engineering</p> <ul style="list-style-type: none"> • ServPro – Tim McGinnis has informed CA Hare that they will begin moving in this month. • Water Plant – We are hoping to begin work next month on the installation of STATA. • Calloway Creek – Brownstone Homes has hired Pacific Excavation to do their dirt work. • William R. Carr Subdivision – Brian Donne has been completing the civil engineering for the project and hopes for us to be reviewing it by next month. • Benton County Property – CA Hare met with Senator Merkley’s office and they are going to help us with getting the deed to the property. <p>Planning/Permits</p> <ul style="list-style-type: none"> • City Planner – The Agreement has been executed with the County. • Tim Cornelius – Tim is working with the County to figure out the conservation land that he wants to donate to the County. He is still moving forward with his UGB request at this time. • Planning Commission – There is still one vacancy on the Planning Commission. 	
<p>8. Attachment F – Sheriff’s Report (Agenda Item 4d). CA Hare presented the report.</p>	<p>Council received the report.</p>
<p>9. Attachment G, G1 – Financial Report (Agenda Item 4e). CA Hare presented the report. Income is \$1,126,106.18 and expenses are \$850,380.73. The balance in the Local Government Investment Pool is approximately \$1,053,754.92, last year the balance was \$1,106,365.91.</p>	<p>Council received the report.</p>
<p>10. Sweet Taste Bakery (Agenda Item 5a). CA Hare presented the Council with a letter from Linda Hogan.</p> <p>CA Hare will speak with Linda Hogan regarding this matter in hopes of coming up with a mutually beneficial arrangement for the situation.</p>	<p>Council discussed the matter.</p>
<p>11. Appoint Budget Committee Member (Agenda Item 6b). Mayor Currier nominated McKenna Edmaiston to serve as a member of the Budget Committee.</p>	<p>Councilor King moved to approve the nomination of McKenna Edmaiston to the Budget Committee. Councilor Real seconded. Unanimous Approval (3-0).</p>

<p>12. Appoint Planning Commission Member (Agenda Item 6c). Mayor Currier nominated Susan Canfield to serve as a member of the Planning Commission.</p>	<p>Councilor King moved to approve the nomination of Susan Canfield to the Planning Commission. Councilor Real seconded. Unanimous Approval (3-0).</p>
<p>16. Council and Mayor Comments (Agenda Item 8):</p> <ul style="list-style-type: none"> • Mayor Currier – None. • Councilor Real – None. • Councilor King – None. 	
<p>17 Adjournment: Next meeting- Council/Budget Committee meeting on Tuesday, April 17, 2018 at 6:30 PM.</p>	<p>Mayor adjourned the meeting at 7:45 PM.</p>

Mayor's Approval

Date

8:27 AM

04/26/18

City of Adair Village
Unpaid Bills Detail
 As of April 26, 2018

Att. B

	Type	Date	Num	Due Date	Aging	Open Balan...
22289	✓ Best Pots Inc Bill	4/19/2018	A-356...	4/23/2018	3	77.28
	Total Best Pots Inc					77.28
22290	✓ Butler's Custom Sheet Metal Bill	4/23/2018	INV# ...	5/3/2018		8,140.00
	Total Butler's Custom Sheet Metal					8,140.00
22291	✓ Century Link Bill	4/23/2018	4/16/...	5/3/2018		81.66
	Total Century Link					81.66
22292	✓ CIS TRUST Bill	4/19/2018	May 2...	5/10/2018		5,656.16
	Total CIS TRUST					5,656.16
22293	✓ Comcast Bill	4/19/2018	4/18/...	4/30/2018		102.85
	Total Comcast					102.85
22294	✓ Consumers Power Inc. Bill	4/23/2018		5/3/2018		3,200.72
	Total Consumers Power Inc.					3,200.72
22295	✓ Edge Analytical Laboratories Bill	4/23/2018	18-11...	5/3/2018		153.00
	Bill	4/23/2018	18-13...	5/3/2018		37.80
	Total Edge Analytical Laboratories					190.80
22296	✓ Willamette Valley Processors Bill	4/26/2018	1263	5/6/2018		1,750.00
	Total Willamette Valley Processors					1,750.00

TOTAL

~~19,199.47~~

[Handwritten Signature]
 4/26/18

3:50 PM
04/16/18

City of Adair Village
Unpaid Bills Detail
As of April 16, 2018

Type	Date	Num	Due Date	Aging	Open Balan...
✓ Auto Zone 22268					
Bill	4/16/2018	2217...	4/26/2018		9.59
Total Auto Zone					9.59
✓ Bank of America 22269					
Bill	4/16/2018	2/24/...	4/19/2018		856.12
Total Bank of America					856.12
✓ Brittany Kennedy 22270					
Bill	4/16/2018	April ...	4/26/2018		135.14
Total Brittany Kennedy					135.14
✓ Cornerstone Janitorial 22271					
Bill	4/16/2018	2201...	4/26/2018		245.11
Total Cornerstone Janitorial					245.11
✓ De Lage Landen Financial Services, Inc. 22272					
Bill	4/16/2018	5886...	4/30/2018		137.55
Total De Lage Landen Financial Services, Inc.					137.55
✓ Edge Analytical Laboratories 22273					
Bill	4/16/2018	18-12...	5/13/2018		37.80
Total Edge Analytical Laboratories					37.80
✓ Ferguson Enterprises 22274					
Bill	4/16/2018	0635...	4/26/2018		123.02
Total Ferguson Enterprises					123.02
✓ Jessica II 22275					
Bill	4/16/2018	4/16/18	4/26/2018		40.00
Total Jessica II					40.00
✓ Pacific Power/PacificCorp 22276					
Bill	4/16/2018	4/9/1...	4/25/2018		2,375.14
Total Pacific Power/PacificCorp					2,375.14
✓ Republic Services #452 22277					
Bill	4/16/2018	0452-...	4/26/2018		34.25
Bill	4/16/2018	0452-...	4/26/2018		31.95
Total Republic Services #452					66.20
✓ Simply Payroll 22278					
Bill	4/16/2018	14998	4/26/2018		93.80
Total Simply Payroll					93.80
✓ Staples Credit Plan 22279					
Bill	4/16/2018	2051...	4/26/2018		5.69
Bill	4/16/2018	2035...	4/29/2018		27.57
Bill	4/16/2018	2049...	4/29/2018		23.57
Total Staples Credit Plan					56.83
✓ Verizon 22280					
Bill	4/16/2018	9804...	4/28/2018		225.19
Total Verizon					225.19
TOTAL					4,401.49

✓ Pat Hare Draw 22283
\$1,000

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4/16/18
Paid
4/17/18

City of Adair Village
Unpaid Bills Detail
 As of April 12, 2018

	Type	Date	Num	Due Date	Aging	Open Balan...
22247	American Business Software, Inc					
	Bill	4/9/2018	131794	4/19/2018		60.60
	Total American Business Software, Inc					60.60
22248	Architectural Associates					
	Bill	4/4/2018	Febru...	4/14/2018		977.17
	Bill	4/4/2018	Marc...	4/14/2018		338.00
	Total Architectural Associates					1,315.17
22249	Benton County Sheriff					
	Bill	4/9/2018	1/1/1...	4/19/2018		7,822.25
	Total Benton County Sheriff					7,822.25
22250	Best Pots Inc					
	Bill	4/2/2018	INV# ...	4/12/2018		77.28
	Total Best Pots Inc					77.28
22251	Century Link					
	Bill	4/4/2018	03/25...	4/14/2018		55.23
	Total Century Link					55.23
22252	City of Corvallis					
	Bill	4/5/2018	INV# ...	5/5/2018		257.53
	Total City of Corvallis					257.53
22253	Civil West Engineering Services, Inc					
	Bill	4/2/2018	1001....	4/12/2018		2,065.22
	Bill	4/9/2018	1001....	4/19/2018		1,482.25
	Bill	4/9/2018	1001....	4/19/2018		7,236.25
	Bill	4/9/2018	1001-...	4/19/2018		788.57
	Total Civil West Engineering Services, Inc					11,572.29
22254	Delapoer Kidd Attorneys at Law					
	Bill	4/5/2018	INV# ...	4/15/2018		1,225.00
	Total Delapoer Kidd Attorneys at Law					1,225.00
22255	E.D. Hughes					
	Bill	4/2/2018	INV# ...	4/12/2018		73.00
	Total E.D. Hughes					73.00
22256	Edge Analytical Laboratories					
	Bill	4/2/2018	INV# ...	4/12/2018		37.80
	Bill	4/2/2018	INV# ...	4/12/2018		29.70
	Bill	4/9/2018	INV# ...	4/19/2018		37.80
	Bill	4/9/2018	18-06...	4/19/2018		29.70
	Bill	4/9/2018	18-06...	4/19/2018		153.00
	Bill	4/9/2018	18-07...	4/19/2018		153.00
	Bill	4/9/2018	18-09...	4/19/2018		37.80
	Bill	4/9/2018	18-09...	4/19/2018		153.00
	Bill	4/9/2018	18-11...	4/19/2018		37.80
	Total Edge Analytical Laboratories					669.60
22257	Engineering America, Inc.					
	Bill	4/12/2018	April ...	4/22/2018		30,838.58
	Total Engineering America, Inc.					30,838.58
22258	Ferguson Enterprises					
	Bill	4/4/2018	0631...	4/14/2018		2,331.60
	Total Ferguson Enterprises					2,331.60
22259	NW Natural					
	Bill	4/1/2018	3/28/...	4/11/2018	1	53.61
22265						
	Bill	4/4/2018	3/28/...	4/14/2018		239.07
	Total NW Natural					292.68

12:22 PM
04/12/18

City of Adair Village
Unpaid Bills Detail
As of April 12, 2018

Type	Date	Num	Due Date	Aging	Open Balan...
22260 Ultrex Bill	4/5/2018	INV5...	4/15/2018		40.00
Total Ultrex					40.00
TOTAL					56,630.81

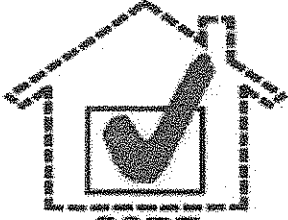


4/12/18

* Reason for "\$0.00" Bill payment check on QB:
manually entering + re-entering bills, learning how to
Yours checks.

* 4/25 - fixed on QB.

ATT C

 <p>CODE COMPLIANCE</p>	<p>Willamette Valley Processors, LLC</p>
<p>End of Month</p>	<p>3/27/18 through 4/25/18</p>

<p>CSO</p>	<p>Jerry Jackson</p>
<p>Hours Worked:</p>	<p>89.5 Hrs.</p>
<p>Complaint Total:</p>	<p>Monthly Case Load Citizen Complaints 4 Grass/Vegetation Warnings - 13 Self-Initiated 7 Total Calls 24</p>
<p>Cases</p>	<p>0 old cases, 24 new cases, 22 closed 2 open</p>

<p>A18-033</p>	<p>4/4/18</p>	<p>New house on Willamette – Open Case</p>	<p>Construction material piled in front of the new house. (advised construction worker to clean up the site)</p>
<p>A18-034</p>	<p>4/2/18</p>	<p>5228 Laurel</p>	<p>Warning issued 0294</p>
<p>A18-035</p>	<p>4/3/18</p>	<p>5228 Laurel – (not paid to date)</p>	<p>Pocket ticket issued 0486</p>
<p>A18-036</p>	<p>4/9/18</p>	<p>Azalea – (had them turn around)</p>	<p>ChimCare trucks parked the wrong way</p>
<p>A18-037</p>	<p>4/9/18</p>	<p>121 Columbia</p>	<p>Mowed lawn</p>
<p>A18-038</p>	<p>4/9/18</p>	<p>New house on Willamette</p>	<p>Construction truck parked the wrong way</p>
<p>A18-039</p>	<p>4/13/18</p>	<p>5226 Laurel</p>	<p>Drove down one-way street (2nd warning)</p>
<p>A18-040</p>	<p>4/16/18</p>	<p>New house on Willamette</p>	<p>Parked the wrong way (warning issued 0295)</p>
<p>A18-041</p>	<p>4/17/18</p>	<p>3111 Willamette – Open Case</p>	<p>2nd warning letter sent for over-growth</p>
<p>A18-042</p>	<p>4/20/18</p>	<p>6015 William R. Carr, Unit 1</p>	<p>2nd warning given for tall grass</p>

A18-043	4/24/18	10 properties in Adair	Given copy of the ordinance for tall grass

Parking Report Total 5

Wrong Way Driving 1

On yellow curb 0

Prohibited Parking 5

Animal Control Total

Noise 0

Animal at large 0

Livestock Violations 0

Citizen Assist Total 0

Trash Container 0

Information/Paperwork/Letters 12

Vacation assist/ 0

Animal Control: Continue to work with the Sheriff's Office Animal Control Officer

Parking: Yellow zones will be painted this year.

City Assist:

- Emergency Management Plan - submitted to Benton County
- Training - Phil Harkins attending C.E.R.T. Training
- Jerry Jackson and Phil Harkins completed all of my FEMA Correspondence Courses required for C.E.R.T.
- County will have a C.E.R.T. training in Adair this Fall.
- Cleaned North storage building



PUBLIC WORKS
OPERATIONS AND MAINTENANCE REPORT

PERIOD: 3/20/2017 TO 4/20/2018

WATER USE / DISTRIBUTION REPORT

WATER USE REPORT

Water Produced: 4,947,328 Million Gallons

Average Usage per Day 149k

WATER DISTRIBUTION REPORT

Maintenance Activity: No leaks were reported in the last month. One meter was replaced and three more were re programed.

Collected Monthly, Bacterial Sample: Results were clean.

Collected quarterly, Second quarter samples will be taken soon.

WASTEWATER TREATMENT REPORT

Flows into the WWTP are stable. We are now finished with discharging to the river, the lagoon is at 2ft. and we will be holding effluent water till next fall. Once solid testing is finished, removal of solids to Coffin Butte will begin in the next few weeks.

Total Monthly Influent: 5.7 Million Gallons

Discharged: Discharge from the holding pond is finished for the season.

STORM WATER COLLECTION SYSTEM REPORT

Maintenance Activity: Storm drains remain clear with no major issue to report.

STREETS MAINTENANCE REPORT

Maintenance Activity: Streets are in good shape. Staff has begun spraying weeds in roadways, and are still prepping for a city wide curb painting/ pavement marking project done by staff.

CITY HALL / PARKS AND WETLANDS

Maintenance Activity: Mowing continues to take most of staff time along with spraying, pulling weed and clearing brush. The kiddy park is now in very good shape for summer activities.

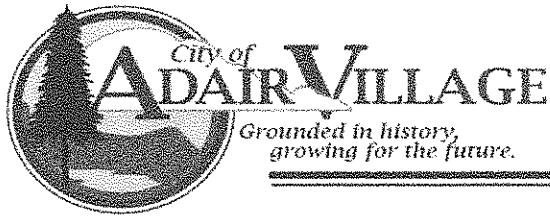
WATER TREATMENT PLANT

Maintenance Activity: The water plant is running really well. Demand has started to slightly increase. Staff continues to monitor demand and run plant accordingly. All sedimentation bays have been cleansed and they are ready for summer.

WASTEWATER TREATMENT PLANT

Maintenance Activity: The wastewater treatment plant is in good shape. All equipment is ready for summer.

Completed by Matt Lydon, Public Works Supervisor



CITY ADMINISTRATOR'S REPORT May 1, 2018 Council Meeting

Administration

- **Barracks Loan** – I have been meeting with the Model Railroad to talk about getting an actual agreement in place. I have also been getting quotes for the work to be done.
- **Finance/Administrative Assistant** – Unfortunately Jessica has informed me that her and her husband will be moving to Washington in September. I will begin the hiring process immediately to replace her.

Property/Businesses

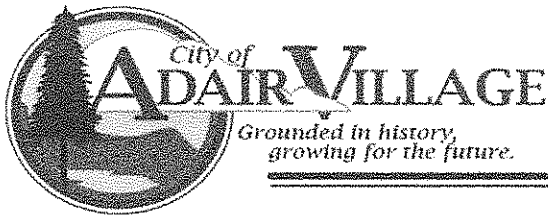
- **AV Market** – The store has been working hard to keep things clean and well stocked, they invite the council to give them feedback.
- **AVIS** – I am working with our partners to develop a letter to DEQ stating the importance of this property to the city. The letter will hopefully help speed things up so we can begin cleanup this year.

Major Projects/Engineering

- **Serve Pro** – They have been given temporary occupancy and they have moved into the building. I have been working closely with them to make sure all work is completed before they are granted final occupancy.
- **Water Plant** – We are waiting on the quotes for the electrical work and then we are hoping to see the work begin in the next few months.
- **Calloway Creek** – They are beginning to break ground this week on the property.
- **William R. Carr Subdivision** – Brian Donne has submitted his plans and paid his fees to begin the initial review. He is hoping to get started as quickly as possible.
- **Benton County Property** – I received a reply from the National Parks Department and they are hoping to have the deed to us soon.

Planning/Permits

- **City Planner** – Benton County has started the hiring process for the new planner. We are hoping to have someone in place by the first of the fiscal year.
- **Tim Cornelius** – Tim has hired a professional planner to help him with the process. They are hoping to submit to the county sometime in the next few months.
- **Planning Commission** – We still have a vacancy on the planning commission.



STAFF REPORT
Attachment G – Financial Report
May 1, 2018 Council Meeting

Totals - Income shown for Fiscal Year 2018 is \$1,233,735.48. (44.5% of budget) and Expenses are \$943,838.61 (34.04% of budget), which shows a Net Income of \$289,896.87 for all funds.

Category	Expenses	Percent of Budget
• Personal Services	300,965.38	77.81
• Materials & Services	450,648.39	39.49
• Capital Outlay	0.00	0.00
• Debt Service	111,836.66	47.52

Totals by Fund – Income and Expenses for each Fund (Reserve and System Development Charges funds are not included, because they are basically in stasis with no expenses) are shown below.

Fund	Income	Expenses	Difference
• General	382,207.37	261,850.84	120,356.53
• Storm Drain	13,956.13	17,419.65	-3,463.52
• Streets	34,858.58	34,482.52	376.06
• Wastewater	159,233.11	165,741.13	-6,508.02
• Water	563,872.85	464,667.37	99,205.48
• TOTAL	\$1,233,735.48	\$943,838.61	\$209,966.53

We have approximately \$1,147,179.79 in the Local Government Investment Pool (LGIP). Last month we had \$1,093,028.86. Last year on 4/30/17 we had \$912,391.06.

**LEASE
(Sweet Taste Bakery)**

PARTIES

This **COMMERCIAL LEASE AGREEMENT** is made and entered into this ____ day of May 2018, by and between the City of Adair Village, hereinafter called the “Lessor” and Linda Hogan herein after called “Lessee”.

PREMISES

The real property commonly known as 6020 NE William R. Carr Street situated in the City of Adair Village, Benton County, State of Oregon. The property is also known as the Sweet Taste Bakery. The premises includes any and all equipment, signage, furnishings and stock that is now located in the property (including , but not limited to Exhibit A attached hereto) as well as any new equipment that may be located in the property by Lessee.

TERM OF LEASE AND RENT

In consideration of the mutual promises and obligations contained herein, Lessor leases the Premises to Lessee for a term commencing on May ____, 2018, and continuing through May 31, 2019 at the following monthly rentals, which sums shall be payable in advance on or before the first day of each calendar month throughout the Lease term, without notice or demand, deduction or offset.

May __, 2018 through May 31st, 2019 \$1.00 per month

Notwithstanding the above, the first full month’s rental of \$1 shall be paid upon Lessee’s signing of the Lease.

This Lease is subject to the following terms to which the parties agree:

SECTION 1: OCCUPANCY

1.1 Payment of Rent. Lessee shall pay the specified rent when due in lawful money of the United States at Lessor's address stated in this lease or such other address as Lessor shall designate by notice to Lessee. Any rent not paid within ten (10) days from the due date shall bear interest in the manner stated in paragraph 13.6

1.2 Delivery of Possession. Delivery of possession shall be granted to Lessee, subject to the terms, conditions and obligations of this lease, upon full execution of this lease by all parties to be bound.

1.3 Condition of Premises. Lessor makes no warranty as to the adequacy of the Premises for the intended use by Lessee, and Lessee accepts the Premises in their current "where-is as-is" condition and based upon its own inspection and not upon any representation by Lessor except as may be specifically stated in this lease.

1.4 Security Deposit To secure Lessee's compliance with all terms of this lease, Lessee shall pay Lessor the sum of \$ 1.00 as a security deposit. The deposit shall be a debt from Lessor to Lessee, refundable within 30 days following the expiration of this lease term or other termination not caused by Lessee's default. Lessor shall have the right to offset against the deposit any sums owing from Lessee to Lessor and not paid when due, any damages caused by Lessee's default, the cost of curing any default by Lessee should Lessor elect to do so, and the cost of performing any repair or cleanup that is Lessee's responsibility under this lease. Offset against the deposit shall not be an exclusive remedy in any of the above cases, but may be invoked by Lessor at its option, in addition to any other remedy provided by law of this lease for Lessee's nonperformance. Lessor shall give notice to Lessee each time an offset is claimed against the deposit, and, unless the lease is terminated, Lessee shall within 10 days following such notice deposit with Lessor a sum equal to the amount of the offset so that the total deposit amount, net to offset, shall remain constant throughout the lease term.

SECTION 2. USE OF PREMISES

2.1 Permitted Use. Lessee shall use and permit the Premises to be used for a Coffee Shop and Bakery and for no other purpose unless approved in advance by the Lessor at Lessor's sole discretion. Lessee shall operate the above business every day in the manner customary for such businesses, except during the time and to the extent such use is prevented by fire, flood, labor disputes, government edict or any other cause beyond Lessee's control.

2.2 Restrictions on Use.

In addition to the other responsibilities defined in this lease, Lessee shall:

(a) Conform to all applicable laws and regulations of any public authority affecting the use of the premises and to correct at Lessee's own expense any failure of compliance created through Lessee's fault or by reason of Lessee's use or make and complete any structural changes or repairs that become necessary during the term of this lease with the Lessor's approval.

(b) Refrain from any use which would be reasonably offensive to other tenants or owners or users of neighboring premises or which would tend to create a nuisance or damage the reputation of the premises.

(c) Refrain from conducting any activity or creating any conditions in or about the Premises in violation of any federal, state, or municipal laws or orders.

(d) Refrain from making any marks on or attaching any sign, insignia, antenna, aerial, or other device to the exterior or interior walls, windows, or roof of the premises without the written consent of Lessor. Prior to making any improvements or modifications to the building, the plans must be submitted in writing to the City administrative manager 30 days prior to the upcoming City Council meeting for their review and approval.

(e) Refrain from the use of any electrical equipment that will overload the electrical circuits. Any changes to wiring shall be paid by Lessee.

(f) Refrain from placing or erecting any external shed, building, container or other structures without prior permission from Lessor.

2.3 Signs and Attachments. Lessee shall not, without Lessor's prior written consent as to scale, design, and placement, place any sign, advertisement, notice, mural, graphics, marquee, awning, decoration, aerial or attachment in, on or to the roof, front, windows, doors or exterior walls of the Premises. Any such sign or attachment placed upon or about the Premises by Lessee with Lessor's consent shall become the property of the Lessor, however shall be removed at Lessee's expense upon termination of the Lease if requested by Lessor, and all damage caused by the removal or installation shall be repaired at Lessee's expense.

2.4 Removal of Debris. Lessee shall keep the sidewalks abutting the Premises, the parking areas, and all entrances free and clear of ice, debris and obstructions of every kind.

2.5 Alterations. All work shall be performed in a workmanlike manner using licensed and bonded labor, and Lessee shall provide Lessor with plans and specs of all proposed alterations and shall obtain Lessor's written approval and consent prior to commencement of any alterations or additions to the Premises. Any such additions, alterations or improvements, except for unattached moveable trade fixtures, shall at once become a part of the realty and belong to the Lessor, and shall not be removed by Lessee, unless the terms of consent provide otherwise.

SECTION 3. REPAIRS AND MAINTENANCE

3.1 Lessee's Obligations. During the term of this lease Lessee shall at all times maintain the Premises in a neat condition free of trash and debris and in good working order and repair. Lessee's responsibilities shall include, without limitation, the following:

(a) Performance of all routine maintenance and repair upon electrical fixtures, switches, and wiring from the service panel, plumbing, water lines,

sewer facilities from point of entry to the Premises, doors, windows and related hardware, ceilings, interior walls and floors, however Lessor shall be responsible for replacement of plumbing and electrical equipment, except light bulbs and ballasts, by reason of obsolescence and defects not caused by neglect of Lessee, its agents, or employees.

(b) Replacement of all broken or cracked glass with glass equal to the quality of existing glass at the time of commencement of the term.

(c) Performance of all routine maintenance and repairs and inspections upon the heating units, air conditioning units used in connection with the Premises, and any fixtures and equipment installed by Lessor or Lessee in the Premises.

(d) Maintain all equipment and items that are to be left in the Premises by Lessor which is attached hereto as Exhibit A. It is hereby expressly agreed by both parties that the items listed in Exhibit A are to be maintained, repaired or replaced by Lessee at Lessee's sole expense.

(e) Meet with the City Administrator on a monthly basis to review financials of the business.

3.2 Lessor's Obligations. During the term of this lease Lessor agrees to maintain in good order, repair and condition the exterior walls, roof, and gutters, down spouts, common areas, foundation, sidewalks, parking lot and grounds thereabout. Lessor shall be responsible for major repairs, in excess of \$ 500.00, to the HVAC system, plumbing to point of entry to Premises, electrical systems to the point of service panel to Premises, unless such repairs/replacement is due to a negligent act or omission by Lessee, its invitees, agents or employees.

3.3 Conditions of Lessors' Liability. Lessor shall have no duty to make any repairs which are its obligation under this Lease until Lessee has given written notice to Lessor of the repairs to be made or condition that needs to be corrected. Lessor will make any repair required within a reasonable time following notice from Lessee.

3.4 Lessor's Interference With Lessee. Any repairs, replacement, alterations or work performed on or about the Premises by Lessor shall be

done in such a way as to interfere as little as reasonably possible with the use of the Premises by Lessee.

SECTION 4. UTILITIES, TAXES, INSURANCE, ASSESSMENTS AND COMMON AREAS

4.1 Utilities. Lessee shall pay when due all charges for lights, heat, garbage collection, water and sewer and any other utilities furnished to the premises.

4.2. Taxes Lessee will pay to Lessor its proportionate share of all ad valorem taxes of any kind whatsoever levied against the land and building, including improvements thereon. For the tax years, which include the beginning and/or the end of the term, Lessee shall be liable only for that portion of the taxes prorated for the months of its occupancy during the respective tax year. A tax bill submitted by Lessor to Lessee shall be sufficient evidence of the amount of taxes assessed or levied against the parcel or real property to which the bill relates. The taxes will be due monthly in addition to the monthly rent. The monthly property tax liability will be adjusted annually when the new tax bills arrive. Lessee shall pay when due all taxes assessed against its personal property located on the premises.

4.3. Insurance Lessee shall at all times during this lease maintain and bear the expense of a standard form of fire insurance and extended coverage, which shall provide adequate coverage of the fixtures, equipment, and all improvements for which Lessee is responsible, including those under paragraphs 3.1 and 5.3 and Exhibit A. Such insurance shall be in a form, amount and company satisfactory to Lessor, excepting that which would apply to Lessee's personal property. All such insurance policies or certificates from the issuers evidencing the required coverage and requiring ten (10) days written notice to Lessor prior to any cancellation or change in policy terms shall be delivered to Lessor. Lessee shall provide proof of it having insurance in force, prior to taking possession of the Premises or anytime thereafter during the term of this Lease upon Lessor's written request. Lessee's failure to maintain such insurance, in full force during the term of the Lease, shall be considered a material breach of the Lease subject to all remedies afforded Lessor as provided in the Lease as a result thereof.

(a) Neither party shall be liable to the other, or to the other successors or assigns, for any loss or damage caused by fire or any other risks enumerated in a standard fire insurance policy with an extended coverage endorsement, and in the event of insured loss, neither party's insurance company shall have a subrogated claim against the other.

4.4 Assessments. Lessee shall be responsible for its proportionate share of any assessments or charges of any governmental body made against the land and building of which the Premises are a part during the term of this Lease for any public improvements, including, but not limited to, providing paving, sidewalks, sewers, public finance improvements or charges.

4.5 Common Area Charges. In each lease year hereof, Lessee shall pay to Lessor, in addition to the rentals specified herein, as further additional rent, a proportion of the operating costs based upon the ratio of the square feet of the Premises to the total square feet of the building.

(a) For the purpose of this section, the "operating cost" shall mean the total costs and expenses incurred in operating and maintaining the common facilities, hereinafter defined, actually used or available for use by Lessee and the employees, agents, customers and other invitees of Lessee, excluding only terms of expense commonly known and designated as carrying charges, but specifically including without limitation, gardening and landscaping, roof repairs, excluding structural or re-roofing, the cost of fire, liability and property damage insurance,, repairs, line painting, lighting, sanitary control, removal of snow, trash, rubbish, garbage, refuse and property management.

SECTION 5. DAMAGE AND DESTRUCTION

5.1 Partial Damage. If the leased Premises or the building of which the Premises are a part shall be partly damaged by fire, windstorm or other casualties and paragraph 5.2 below does not apply, Lessor shall, subject to 5.3, repair the damage and restore to a condition comparable to that existing prior to the damage. Repair shall be accomplished with all reasonable dispatch, subject to interruptions and delays from labor disputes and other causes beyond Lessor's reasonable control. Rent shall be abated during the

period and to the extent the Premises are not reasonably usable for the use permitted by this Lease, except where the damage is the fault of the Lessee or Lessee is otherwise liable for the cost of repair.

5.2 Destruction. If the leased premises are destroyed or damaged such that the building may not be occupied by Lessee, either party may elect to terminate the lease as of the date of damage or destruction by notice given to the other in writing not more than 30 days following the date of damage. In such event all rights and obligations of the parties shall cease as of the date of termination. If neither party elects to terminate, Lessor may proceed to restore the leased premises to substantially the same form as prior to the damage or destruction

5.3 Repair of Lessee's Property. Repair, replacement or restoration of any fixture or personal property owned by Lessee or any additions or improvements to the Premises constructed by the Lessee shall be the responsibility of the Lessee regardless of the cause of the damage. Lessee shall pay all costs of moving its property when this is required in connection with repairs of the Premises for which Lessor is responsible.

SECTION 6. EMINENT DOMAIN

6.1 Partial Taking. If a portion of the premises is condemned or purchased in lieu of condemnation and paragraph 6.2 does not apply, this Lease shall continue on the following terms.

(a) Lessor shall be entitled to all of the proceeds of condemnation and Lease shall have no claim against the Lessor as a result of condemnation.

(b) Lessor shall proceed as soon as reasonably possible to make such repairs and alterations to the Premises as are necessary to restore the remaining Premises to a comparable as reasonably practicable to that existing time of the condemnation. Rents shall be abated to the extent the Premises are untenable during the period of alteration and repair. Rents shall be reduced in proportion to the reduction in reasonable value of the Premises for Lessee use caused by the condemnation.

6.2 Total Taking If a condemning authority takes all of the building of which the Premises are a part or a portion of either sufficient to render the remaining Premises reasonably unsuitable for the use which Lessee was then making of the Premises, the Lease shall terminate as of the date the title vests in the condemning authorities or the date that Lessee surrenders possession of the property, whichever is later, and the provisions of Section 11 covering termination shall apply. In such event, Lessor shall be entitled to all of the proceeds of condemnation, and Lessee shall have no claim against Lessor as a result of the condemnation.

6.3 Lessee's recovery. Although all damages in the event of any condemnation are to belong to Lessor whether such damages are awarded as compensation for diminution in value of the leasehold or to the fee of the Premises, Lessee shall have the right to claim and recover from the condemning authority, but not Lessor, such compensation as may be separately awarded or recoverable by reason of the condemnation and for or on account of any cost or loss to which Lessee might be put in removing Lessee's merchandise, furniture, fixtures, leasehold improvements and equipment.

SECTION 7. LIABILITY TO THIRD PERSONS: LESSOR'S LIABILITY TO LESSEE

7.1 Indemnification of Lessor. Lessee shall indemnify and defend Lessor from any claim, liability, damage or loss arising out of or relating to any activity of the Lessee, its agents or invitees on the Premises or any condition existing in the Premises. However, this provision shall not be construed to relieve Lessor from responsibility for any loss or damage caused to Lessee or others solely as a result of negligence or willful acts of Lessor or its employees.

7.2 Acts of Other Tenants. Lessor shall have no liability to Lessee for acts of other tenants/users who may be occupying any adjacent premises on the property.

7.3 Liens. Lessee shall pay as due all claims for work done on and for services rendered or materials furnished to the Premises at its request, and shall keep the Premises free from any liens. If Lessee fails to pay any

such claims or to discharge any lien, Lessor may do so and collect all costs of such discharge, including its reasonable attorney's fees. Such actions by Lessor shall not constitute a waiver of any right or remedy which Lessor may have on account of Lessee's default. If a lien is filed as a result of nonpayment Lessee shall, within 10 days after knowledge of the filing, secure the discharge of the lien or deposit with Lessor cash or a sufficient corporate surety bond in an amount sufficient to discharge the lien, plus any costs, attorney's fees and other charges that could accrue as a result of a foreclosure or sale under the lien.

7.4 Liability Insurance Lessee shall, at its expense, carry public liability and property damage insurance with limits of not less than \$1,000,000 for injury to one person in one occurrence, \$2,000,000 for injury to two or more persons in one occurrence, and \$500,000 damage to property. Such insurance shall be in a form satisfactory to Lessor, shall protect Lessor and Lessee against the claims of third persons and shall include an endorsement covering the indemnification liability assumed by Lessee under paragraph 7.1 of this Lease. Prior to Lessee taking possession of the Premises, Lessee shall furnish certificates evidencing such insurance coverage bearing endorsements requiring ten (10) day's written notice to Lessor prior to any change or cancellation of the policy.

SECTION 8. ASSIGNMENT AND SUBLEASE

8.1 Prohibition on Assignment. No part of the Premises may be assigned, mortgaged, or subleased by Lessee, nor may a right of use of any portion of the Premises be conferred on any third person by any other means, without the prior written consent of Lessor. This provision shall apply to all transfers by operation of law and transfers to and by trustees in bankruptcy, receivers, administrators, executors and legatees. No consent in one instance shall prevent this provision from applying to a subsequent instance. Notwithstanding any assignment or sublease. Lessee shall remain fully liable on the Lease and shall not be released from performance under the terms, covenants and conditions of the Lease. Lessor shall have the right to charge a reasonable fee for administrative expenses in connection with any assignment or sublease to which it gives its consent.

SECTION 9. DEFAULT

9.1 Insolvency. The following are events of default: Insolvency of Lessee; an assignment by Lessee for the benefit of creditors; the filing by Lessee of voluntary petition in bankruptcy; an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; the filing of any involuntary petition in bankruptcy and failure of Lessee to secure a dismissal of the petition within 60 days after filing; attachment of or the levying of execution on the leasehold interest and failure of Lessee to secure discharge of the attachment or release of the levy of execution within 30 days. If Lessee consists of two or more individuals or business entities, the events of default specified in this paragraph shall apply to each individual unless within ten (10) days after an event of default occurs, the remaining individuals produce evidence satisfactory to Lessor that they have unconditionally acquired the interests of the one causing default.

9.2 Abandonment. Failure of Lessee for 15 days or more to occupy the property for one or more of the purposes permitted under this lease unless such failure is excused under other provisions of this lease shall be an abandonment of the property..

9.3 Noncompliance by Lessee. Lessee's failure to comply with any term or condition or fulfill any obligation of this Lease (other than the payment of rent or other charges) within fifteen (15) days after written notice by lessor specifying the nature of the default. If the default is of such a nature that it cannot be completely remedied within the fifteen (15) day period, this provision shall be complied with if Lessee begins correction of the default within the fifteen (15) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

SECTION 10. REMEDIES ON DEFAULT

10.1 Re-Entry. In the event of a default, Lessor may elect to terminate Lessee's right to possession of the Premises by notice in writing

to the Lessee. Following such notice, Lessor may re-enter, take possession of the Premises and remove any persons or property by legal action or by self help, with the use of reasonable force and without liability for damages. Lessor shall have a security interest in Lessee's property on the Premises at the time of re-entry to secure all sums owed or to become owing Lessor under this Lease. Perfection of such security interest shall be by taking possession of the property or otherwise as provided by law.

10.2 Reletting. Following a re-entry by Lessor because of Lessee's default, Lessor may relet the Premises for a term longer or shorter than the term of this Lease and upon any reasonable terms including the granting of rent concessions to the new tenant. Lessor may alter, refurbish or change the character or use of the Premises in connection with such reletting. No such reletting by Lessor following Lessee's default shall be constructed as an acceptance of a surrender of the Premises. If rent received upon reletting exceeds rent received under this Lease, Lessee shall have no claim to the excess.

10.3 Damages for Default. In the event of termination on default, Lessor shall be entitled to recover the following amounts as damages: All unpaid rent or other charges for the period prior to re-entry, plus interest provided in paragraph 13.6. An equal amount to the rental lost during any period in which the Premises are not relet. The reasonable costs of reentry and reletting including without limitation the cost of any cleanup, refurbishing, removal of Lessee's property and fixtures, or any other expense occasioned by Lessee's failure to quit the premises upon termination and to leave them in the required condition, attorney fees, court costs, broker commissions, and advertising costs.

10.4 Lessee's Possession Following Default. In the event that Lessee remains in possession following default and Lessor does not elect to re-enter, Lessor may recover all unpaid rent or other charges, and shall have the right to cure any non-monetary default and recover the cost of such cure from Lessee, plus interest at a rate of 12% per annum from the date of the expenditure. In addition, Lessor shall be entitled to recover attorney's fees reasonably incurred in connection with any default, whether or not litigation is commenced. Lessor may sue to recover such amounts as they accrue, and no one action for accrued damages shall bar a later action for damages subsequently accruing.

10.5 Remedies Cumulative. The foregoing remedies shall not be exclusive but shall be in addition to all other remedies and rights provided under applicable law, and no election to pursue one remedy shall preclude resort to another consistent remedy.

SECTION 11. SURRENDER ON TERMINATION

11.1 Surrender of Premises. Upon expiration of the lease term or earlier termination on account of default, Lessee shall deliver all keys to Lessor and surrender the leased premises in good condition, repair and broom clean. Alterations constructed by Lessee with permission from Lessor shall not be removed or restored to the original condition unless the terms of permission for the alteration so require. Depreciation and wear from ordinary use for the purpose for which the Premises were let need not be restored, but all repairs for which Lessee is responsible shall be completed prior to such surrender. Lessee's obligations under this paragraph shall not apply in case of termination of the Lease because of destruction of the Premises.

11.2 Fixtures. All fixtures placed upon the leased Premises during the term, other than Lessee's moveable trade fixtures shall, at Lessor's option, become the property of the Lessor. If Lessor so elects, Lessee shall remove any or all fixtures which would otherwise remain the property of Lessor, and shall repair any physical damage resulting from the removal. If Lessee fails to remove such fixtures, Lessor may do so and charge the cost to the Lessee with interest at 12% per annum from the date of expenditure.

11.3 Removal of Lessee's Property. Lessee shall not remove any furnishings, furniture, or moveable trade fixtures from the property. All equipment and furnishings on the property are and remain property of Lessor.

11.4 Holdover. Should Lessee fail to vacate the Premises when required, Lessor may elect to treat Lessee as a tenant from month to month subject to all provisions of this Lease, except for the provisions for term, or Lessor may elect to take legal action to eject Lessee from the Premises and

to collect any damages caused by Lessee's wrongful holding over. Lessee's failure to remove property as required by paragraph 11.3 above shall constitute a failure to vacate to which paragraph 11.4 shall apply if the property not removed will substantially interfere with occupancy of the Premises by another tenant or with occupancy by Lessor for any purpose including preparation for a new tenant.

SECTION 12. ARBITRATION

12.1 Disputes Arbitrable. If any dispute arises between the parties to this Lease regarding the extent of rent abatement under paragraph 5.1, the extent of damage under paragraph 5.2, the extent of rent reduction to be made under paragraph 6.1, or whether paragraph 6.2 applies following a partial taking of the Premises by condemnation, either party may request arbitration and appoint as arbitrator one independent real estate broker or appraiser having knowledge regarding evaluation of rental property comparable to the Premises. If the dispute is not resolved within ten (10) days after such notice, the responding party shall likewise choose an arbitrator meeting the above qualifications. The two arbitrators shall within five (5) days choose a third having the above qualifications. If the choice of the second or third arbitrator is not made within five (5) days after the end of the period in which the choice is to be made, then either party may apply to the presiding judge of the Judicial District in which the Premises are located who shall appoint the required arbitrator.

12.2 Submission of Dispute. At any time within twenty (20) days after appointment of the third arbitrator, either party may submit the dispute for settlement by arbitrators.

12.3 Procedure for Arbitration. The arbitrator(s) shall proceed according to the Oregon Statutes governing arbitration, and the award of the arbitrator shall have the affect therein provided. The arbitration shall take place in the county in which the Premises are located. Cost of the arbitration shall be shared equally by both parties, but each party shall pay its own attorney fees incurred in connection with the arbitration.

SECTION 13. GENERAL PROVISIONS

13.1 Nonwaiver. Waiver of Lessor of strict performance of any provision of this Lease shall not be a waiver of or prejudice the Lessor's right otherwise to require strict performance of the same provision or of any other provision.

13.2 Actions and Suits. If suit or action beyond arbitration is instituted in connection with any controversy arising out of this Lease, the prevailing party shall be entitled to recover in addition to costs, such sum as the court may adjudge reasonable as attorney fees at trial and upon any appeal of such suit or action. If any action brought to enforce this Lease or arising out of the relationship between the parties created by this Lease, the parties agree that all issues in any such actions shall be tried by a judge and not by a jury.

13.3 Notices. Lessor and Lessee agree that any notice required or permitted to be given hereunder shall be deemed to have been given when deposited in the United States mail, certified, return receipt requested, postage fully prepaid, and with respect to Lessor, addressed to: City of Adair Village, Attention: Pat Hare or current City Administrator, 6030 NE William R Carr Street, City of Adair Village OR 97330: and with respect to Lessee, Linda Hogan, 6020 NE William R. Carr Ave. , Adair Village, OR 97330.

13.4 Succession. Subject to the prescribed limitations on transfer of Lessee's interest, this lease shall be binding upon and insure to the benefit of the parties, their executors, administrators, successors and assigns.

13.5 Entry for Inspection. Lessor shall have the right to enter the Premises at any reasonable time upon 18 hours notice to determine Lessee's compliance with this Lease, to make necessary repairs to the building or to the Premises, or to show the Premises to any prospective tenant or purchaser, and in addition shall have the right, to place upon the Premises any notices for selling of the Premises, and at any time during the last two months of the term of this Lease, to place and maintain upon the Premises, notices for leasing or selling of the Premises.

13.6 Interest on Rent and Other Charges. Any rent or other payment required of Lessee by this Lease shall, if not received by Lessor

within 10 days after it is due, shall be subject to a five (5%) late charge as additional rent. Any unpaid monies due shall accrue interest at 12% per annum from the due date until paid.

13.7 Proration of Rent. In the event of commencement or termination of this Lease at a time other than the beginning or end of one of the specified rental periods, then the rent shall be prorated as of the date of commencement or termination for reasons other than default, all prepaid rent shall be refunded to Lessee or paid on his account.

13.8 Lessor's Conveyance. Any conveyance of the Premises by Lessor during the term of this Lease shall be subject to this Lease, and following any such conveyance, Lessor shall be discharged from all obligations under this Lease except those already accrued.

13.9 Improvements By Lessee. Lessee is accepting the Premises in its current "where is as is" condition based upon its own inspection and not upon any representations by Lessor or Lessor's agent, except as may otherwise be stated within this Lease. Any and all improvements required by Lessee, or as may be required by virtue of any city law, order, regulation, or ordinance as a condition for development by Lessee, without limitation, shall be performed at Lessee's sole cost and expense. All work shall be performed in a workmanlike manner, with Lessee having obtained Lessor's written permission and approval as to type, extent, design and placement prior to commencement of any alterations, modifications, or improvements being installed in or about the Premises, which consent shall not be unreasonably withheld.

13.10 Improvements By Lessor. Lessor shall have the existing electrical, plumbing and HVAC systems in proper working order at time of delivery of possession. Should these items require Lessor's attention, and such is not due to any alterations or improvements by Lessee, then Lessee shall so notify Lessor by no later than the commencement of the lease term, thereafter same shall be Lessee's responsibility as to its maintenance/repair excepting as otherwise provided in this lease.

13.11 Parking. Lessee shall be entitled to the nonexclusive right with others entitled thereto to use the common parking areas of the building, for the use of Lessee's invitees and employees. Lessor reserves the right, at

Lessor's sole discretion, to allocate and assign numbered parking spaces to Lessee based on a pro rata share as defined by comparing the square feet of the Premises to the total square feet of all space capable of being leased in the building. Additionally Lessor reserves the right to designate some of the spaces as "visitor parking" as Lessor deems reasonably for the harmonious operation/management of the building.

13.12 Hazard Substances. Lessee shall not cause or permit any hazard substance to be spilled, leaked, disposed of, or otherwise released on or under the Premises. Lessee may use or otherwise handle on the Premises only those hazardous substances typically used or sold in the prudent and safe operation of Lessee's business. Lessee may store such hazardous substances on the Premises, which shall be done in compliance with all applicable Federal, State or local statute, regulation or ordinance or any judicial or other governmental laws pertaining to the protection of health, safety or the environment, only in quantities necessary to satisfy Lessee's reasonably anticipated needs. Lessee shall comply with all environmental laws and exercise the highest degree of care in the use, handling and storage of hazardous substances and shall take all practical measures to minimize the quantities and toxicity of hazardous substances used, handled, or stored on the Premises. Upon the expiration or termination of the Lease, Lessee shall remove all hazardous substances from the Premises.

13.13 ADA Standards. Lessor shall be responsible for any alterations, modifications or improvements to be made upon the common areas due to any applicable Federal, State, County or City law, order, regulation, or ordinance, and shall indemnify and hold Lessee harmless from any action as a result thereof. Lessee shall be responsible for any alterations or modifications within the demised Premises as may be required by virtue of any Federal, State, County or City law, order, regulation, ordinance within the Premises. Lessee shall indemnify and hold Lessor harmless from any actions as a result thereof. Each party agrees to notify the other party immediately upon receipt of any claims, asserted or threatened, arising out of an alleged failure to comply with the ADA or any regulation promulgated thereunder with respect to the leased Premises.

13.14 Subordination. Upon request of Lessor, Lessee will subordinate its rights hereunder to the lien of any mortgage or mortgages or the lien resulting from any other method of financing or refinancing now or

hereafter in force against the land and building comprising the Premises, and to all advances made or hereafter to be made upon the security thereof, and Lessee shall execute such documents as may be reasonably requested by Lessor or the holder of the encumbrance to evidence this subordination.

13.15 Estoppel. Lessee shall within twenty (20) days after notice from Lessor, execute, acknowledge and deliver a certificate certifying whether this Lease has been modified and is in full force and effect; whether there are any modifications or alleged breaches by Lessor; the dates to which rent has been paid in advance and the amount of any security deposits or prepaid rent; and any other facts that may reasonably be requested by the lender of Lessor. Failure to deliver the certificate within the specified time shall be conclusive upon Lessee that the Lease is in full force and effect and has not been modified except as may be represented by the Lessor. If requested by the holder of any encumbrance, Lessee will agree to give such holder or Lessor notice of and the opportunity to cure any default by Lessor under this Lease.

13.16 Exterior Signage. Lessee, at Lessee's sole cost and expense shall be responsible for all its exterior signage. Said signage shall be subject to applicable codes and shall have Lessor's advance approval to design, scale, method of installation, and location of placement.

13.17 Advertising. Subject to applicable municipal codes and non disturbance to other tenancies within the building, Lessee may utilize the pole sign located in the front of the Premises. If Lessee wants to attach any signs, posters, seasonal flags or banners, Lessee must make the request in writing to the Lessor and have prior permission to attaching any signage whatsoever to the Premises.

13.18 Entire Agreement. This Lease and Exhibits and Rider, if any, attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions, and understandings between the Lessor and Lessee concerning the leased premises, and there are no covenants, promises, agreements, conditions, or understandings, either oral or written, between them other than are herein set forth.

In Witness Whereof, the parties hereto have executed this instrument in duplicate at the place and on the day and year first above written, any corporate signature being by authority by the Board of Directors.

LESSOR:

LESSEE

City of Adair Village

Linda Hogan

Date

Date

Pat Hare, City Administrator

EXHIBIT A

- Ice Maker
- Ice Cream Case
- Counters
- Roaster and Hood
- Hand Sink in front
- Hand Sink in Back
- Full Wash Station Sink
- Security Alarm
- Security Cameras
- Pastry Display Case
- Front Bar With Cabinets
- Shelving in Dining Area
- Bathroom Sink, Toilet, ADA Bars
- Mop Tub and Faucet
- Supply Shelving
- Cupboards
- Spice Racks
- Counter space
- Espresso Machine
- Espresso Fridge
- Free Standing Oven
- Microwave
- Toaster
- 2 Coffee Grinders
- Ice Shaver Machine

Oath of Office

I, **Name**, do solemnly swear
that I will support the Constitution and the laws
of the United States of America and of the State of
Oregon,
the city charter of the City of Adair Village and
the ordinances and resolutions of said city;
and that I will, to the best of my ability,
faithfully perform the duties of **City Councilor**
for the City of Adair Village, Oregon,
during my continuance therein,
so help me God.

Att. J

ORDINANCE NO. ____

AN ORDINANCE GRANTING A FRANCHISE ("FRANCHISE") TO QWEST CORPORATION D/B/A CENTURYLINK QC ("CENTURYLINK") TO OPERATE AND MAINTAIN A TELECOMMUNICATIONS SYSTEM ("THE SYSTEM") IN THE CITY OF ADAIR VILLAGE, OREGON ("THE CITY").

The City hereby ordains that it is in the public interest to grant CenturyLink a Franchise to operate the System pursuant to the terms and conditions contained herein.

SECTION 1. Grant of Franchise. The City hereby grants to CenturyLink the right, privilege and authority to construct, maintain, operate, upgrade, remove, and relocate its cables and related appurtenances ("Facilities") in, under, along, over and across the present and future streets, alleys, land, easements, and public ways of the City ("Public Ways"), for the purpose of providing telecommunication services to the City's inhabitants. Notwithstanding the foregoing, the City Manager or his/her designee shall have the reasonable authority to prescribe which Public Ways will be used and the location of communications facilities within the public Way, as may be reasonably necessary to minimize public inconvenience.

SECTION 2. Acceptance by CenturyLink. Within sixty (60) days after the passage of this Ordinance by the City, CenturyLink shall file an unqualified written acceptance ("Acceptance") thereof with the City Recorder; otherwise the Ordinance and the rights granted herein shall be null and void.

SECTION 3. Term. The Term ("Term") of this Franchise is four (4) years commencing on July 1, 2018 and ending on June 30, 2022. At the end of the Term, the Franchise granted herein may be renewed upon mutual agreement of the parties, ten (10) years commencing on the date of Acceptance by CenturyLink as set forth in Section 2, above. At the end of the Term, the Franchise granted herein may reasonable parties be renewed by CenturyLink upon the same terms and conditions as contained in this Franchise for a five (5) year term, such renewal process commencing with CenturyLink by providing to the City's representative designated herein written notice of the CenturyLink's intent request to renew not less than one hundred fifty (150) calendar days before the expiration of the Term.

Comment [S1]: Pat,
I want this to mirror the Comcast Franchise Fee which expires at the same time. At that point, Council can decide if they want to stay at 5% or move to 7%. If we are going to stay at 5% for now, we don't want to be locked in for 10 years. At that time, we could potentially agree to a 10 year term.

Comment [LLS2]: Revised to an initial 10 year term, with clearer mutual agreement needed for an additional 5 year term. This helps to avoid issues and prevent having to renegotiate this overly frequently.

Comment [LLS3]: 7% violates City ordinance 2012-05.

SECTION 4. Franchise Fee. From and after the date of CenturyLink's Acceptance of this Ordinance and until its expiration, CenturyLink will pay the City sevenfivefive percent (575%) of CenturyLink's local exchange access service Gross Revenue (as defined in ORS §§221.515 and 403.105), in accordance with ORS § 221.515. Payment shall be made annually within sixty (60) days after the end of the calendar year during the Term of this Franchise. Such payment made by CenturyLink will be accepted by the City of Adair Village in payment of any license, privilege or occupation tax or fee for revenue or regulation, franchise fee, or any permit or inspection fees or similar charges for street openings, installations, construction or for any other purpose now or hereafter, or other forms of excise or revenue taxes based upon or measured by revenues, employees, payroll, property, facilities or equipment of CenturyLink to be imposed by the City of Adair Village upon CenturyLink during the Term of this Franchise. However, CenturyLink shall not deduct charges and penalties imposed by the City for

~~noncompliance with charter provisionthe Franchise, ordinances, resolutions, or permit conditions from the franchise fee required by this chapterFranchise.~~

SECTION 5. Records Inspection. CenturyLink shall make available to the City, upon reasonable advance written notice of no less than sixty (60) days, such information pertinent only to enforcing the terms of this Ordinance in such form and at such times as CenturyLink can reasonably make available. Subject to applicable laws, any information that is provided to the City or its agent and/or that the City or its agent reviews *in camera* is confidential and proprietary, shall require a commercially reasonable non-disclosure agreement before disclosure, and shall not be disclosed or used for any purpose other than verifying compliance with the terms of this Ordinance. Any such information provided to the City shall be immediately returned to CenturyLink following review. The City and any City agent will not make copies of such information.

SECTION 6. Non-Exclusive Franchise. The right to use and occupy the Public Ways of the City shall be nonexclusive, and the City reserves the right to use the Public Ways for itself or any other entity. The City's use, however, shall not unreasonably interfere with CenturyLink's Facilities or the rights granted CenturyLink herein.

SECTION 7. City Regulatory Authority. The City reserves the right to adopt such additional ordinances and regulations as may be deemed necessary in the exercise of its police power for the protection of the health, safety and welfare of its citizens and their properties consistent with applicable federal and state law. ~~CenturyLink's work shall be done in compliance with the necessary rules, regulations, ordinances or orders, which may during the continuance of this franchise be adopted from time to time by the City.~~ The City agrees, before passage, to promptly notify CenturyLink of any such changes potentially applicable to this Franchise.

Comment [LLS4]: This is already covered in Section 11.2 below, so I took it out to avoid ambiguity that could arise from duplication.

SECTION 8. Indemnification. The City shall not be liable for any property damage or loss or injury to or death of any person that occurs in the construction, operation or maintenance by CenturyLink of its Facilities. CenturyLink shall defend, indemnify and hold harmless the City, its agents, officers and employees from any and all claims, demands, and damages of any kind, including attorney's fees which may arise, from any negligent act or omissions of CenturyLink, its agents, officers or employees, in connection with the its operations pursuant to this Franchise. The City shall: (a) give prompt written notice to CenturyLink of any claim, demand or lien with respect to which the City seeks indemnification hereunder; and (b) permit CenturyLink to assume the defense of such claim, demand, or lien. CenturyLink shall not be subject to liability for any settlement made without its consent. Notwithstanding the other provisions contained herein, CenturyLink shall in no event be required to indemnify the City for any claims, demands, or liens arising from the negligence or wrongful actions or inactions of the City, its officials, boards, commissions, agents, contractors, and/or employees. Notwithstanding any other term or condition of this Franchise, in no event shall either party be liable or responsible for any special, consequential or incidental damages arising hereunder.

SECTION 9. Insurance Requirements. CenturyLink will maintain in full force and effect for the Term of the Franchise, at CenturyLink's expense, a comprehensive liability insurance policy written by a company authorized to do business in the State of Oregon, protecting it against liability because of personal injury and property damage occasioned by the operation of the

System by CenturyLink. Such insurance will be in an amount not less than \$1,000,000.00. CenturyLink will also maintain Worker's Compensation coverage throughout the Term of this Franchise as required by law. Evidence in the form of a certificate of insurance will be provided to the City upon request.

SECTION 10. Annexation. When any territory is approved for annexation to the City, the City shall within ten (10) business days provide by certified mail to CenturyLink: (a) each site address to be annexed as recorded on City assessment and tax rolls; (b) a legal description of the proposed boundary change; and (c) a copy of the City's ordinance approving the proposed annexation.

SECTION 11. Plan, Design, Construction and Installation of CenturyLink's Facilities.

11.1 All Facilities under authority of this Ordinance shall be used, constructed and maintained in accordance with applicable law.

11.2 CenturyLink shall, prior to commencing new construction or major reconstruction work in Public Ways or other public places, apply for a permit from the City, which permit shall not be unreasonably withheld, conditioned, or delayed or materially alter any rights or obligations of this Franchise. CenturyLink will provide as-built route maps of new Facilities placed in the Public Ways pursuant to a permit issued by the City. CenturyLink will abide by all applicable ordinances and reasonable rules, regulations and requirements of the City consistent with applicable law, not otherwise in material conflict with the rights and obligations of this Franchise, and the City may inspect the manner of such work and require remedies as may be reasonably necessary to assure compliance. Notwithstanding the foregoing, CenturyLink shall not be obligated to obtain a permit to perform emergency repairs.

11.3 To the extent practical and consistent with any permit issued by the City, all Facilities shall be located so as to cause minimum interference with the Public Ways and shall be constructed, installed, maintained, cleared of vegetation, renovated or replaced in accordance with applicable rules, ordinances and regulations of the City, not otherwise in material conflict with the rights and obligations of this Franchise.

11.4 If, during the course of work on its Facilities, CenturyLink causes damage to or alters the Public Way or other public property, CenturyLink shall replace and restore such Public Way or public property at CenturyLink's expense to a condition reasonably comparable to the condition that existed immediately prior to such damage or alteration.

11.5 CenturyLink shall have the right to excavate the Public Ways subject to reasonable conditions and requirements of the City. Before installing new underground Facilities or replacing existing underground Facilities, each party shall first notify the other of such work and allow the other party, at its own expense, to share the trench for laying its own facilities therein, provided that such action will not unreasonably interfere with the first party's use of the trench or unreasonably delay project completion.

11.6 Nothing in this Ordinance shall be construed to prevent the City from constructing, maintaining, repairing, or relocating its sewers, streets, water mains, sidewalks, or other public

property. However, before commencing any work within a Public Way that may affect CenturyLink's Facilities, the City shall give written notice to CenturyLink, and all such work shall be done, insofar as practicable, in such a manner as not to obstruct, injure, or prevent the free use and operation of CenturyLink's poles, wires, conduits, conductors, pipes, and appurtenances.

11.7 CenturyLink shall not attach to, or otherwise use or commit to use, any pole owned by the City until a separate pole attachment agreement has been executed by the parties.

SECTION 12. Relocation of Facilities.

12.1 Relocation for the City. CenturyLink shall, upon receipt of advance written notice of not less than thirty (30) days, protect, support, temporarily disconnect, relocate, or remove any CenturyLink property located in a Public Way when required by the City consistent with its police powers. CenturyLink shall be responsible for any costs to CenturyLink associated with these obligations to the same extent as other users of the respective Public Way. Any money and all rights to reimbursement from the State of Oregon or the federal government to which CenturyLink may be entitled for work done by CenturyLink pursuant to these obligations shall be the property of CenturyLink.

12.2 Relocation for a Third Party. CenturyLink shall, at the request of any person holding a lawful permit issued by the City, or on the City's request for a project benefitting a third party or third party utility, protect, support, raise, lower, temporarily disconnect, relocate in or remove from the Public Way, as applicable, any CenturyLink property, provided that the cost of such action is borne by the person, third party, or third party utility requesting it and CenturyLink is given reasonable advance written notice. In such situation, CenturyLink may also require advance payment. For purposes of this subsection, "reasonable advance written notice" shall mean no less than forty five (45) days for a temporary relocation, and no less than one hundred twenty (120) days for a permanent relocation.

12.3 Alternatives to Relocation. CenturyLink may, after receipt of written notice requesting a relocation of Facilities, submit to the City written alternatives to such relocation. Such alternatives shall include the use and operation of temporary transmitting Facilities in adjacent Public Ways. The City shall promptly evaluate such alternatives and advise CenturyLink in writing if one or more of the alternatives are suitable. If requested by the City, CenturyLink shall promptly submit additional information to assist the City in making such evaluation. The City shall give each alternative proposed by CenturyLink full and fair consideration. In the event the City ultimately determines that there is no other reasonable alternative, CenturyLink shall relocate the Facilities as otherwise provided herein. Notwithstanding the foregoing, CenturyLink shall in all cases, including the end of the Term or any renewal term, have the right to abandon the Facilities.

SECTION 13. Vegetation Management. CenturyLink shall have the authority to trim trees and other natural growth in the Public Ways in order to access and maintain the Facilities in compliance with applicable law and industry standards.

SECTION 14. Revocation of Franchise for Noncompliance.

14.1 In the event that the City believes that CenturyLink has not complied with the terms of the Franchise, the City shall informally discuss the matter with CenturyLink. If these discussions do not lead to resolution of the problem, the City shall notify CenturyLink in writing of the exact nature of the alleged noncompliance.

14.2 CenturyLink shall have thirty (30) days from receipt of the written notice described in subsection 14.1 to either respond to the City, contesting the assertion of noncompliance, or otherwise initiate reasonable steps to remedy the asserted noncompliance issue, notifying the City of the steps being taken and the projected date that they will be completed.

14.3 In the event that CenturyLink does not comply with subsection 14.2, above, the City shall schedule a public hearing to address the asserted noncompliance issue. The City shall provide CenturyLink at least ten (10) days prior written notice of and the opportunity to be heard at the hearing.

14.4 Subject to applicable federal and state law, in the event the City, after the hearing set forth in subsection 14.3, determines that CenturyLink is noncompliant with this Ordinance, the City may:

- A. Seek specific performance of any provision which reasonably lends itself to such remedy, as an alternative to damages; or
- B. Commence an action at law for monetary damages or other equitable relief; or
- C. In the case of substantial noncompliance with a material provision of the Ordinance, seek to revoke the Franchise in accordance with subsection 14.5.

14.5 Should the City seek to revoke the Franchise after following the procedures set forth above, the City shall give written notice to CenturyLink. CenturyLink shall have ninety (90) days from receipt of such notice to object in writing and state its reason(s) for such objection. Thereafter, the City may seek revocation of the Franchise at a public hearing. The City shall cause to be served upon CenturyLink, at least thirty (30) days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise. At the designated hearing, the City shall give CenturyLink an opportunity to state its position on the matter, after which the City shall determine whether or not the Franchise shall be revoked. CenturyLink may appeal the City's determination to an appropriate court, which shall have the power to review the decision of the City *de novo*. Such appeal must be taken within sixty (60) days of the issuance of the City's determination. The City may, at its sole discretion, take any lawful action which it deems appropriate to enforce its rights under this Ordinance in lieu of revocation.

14.6 Notwithstanding the foregoing provisions in this Section 14, CenturyLink does not waive any of its rights under applicable law.

SECTION 15. No Waiver of Rights. Neither the City nor CenturyLink shall be excused from complying with any of the terms and conditions contained herein by any failure of the other, or any of its officers, employees, or agents, upon any one or more occasions to insist upon or to seek compliance with any such terms and conditions. Each party expressly reserves any and all rights, remedies, and arguments it may have at law or equity, without limitation, and to argue, assert, and/or take any position as to the legality or appropriateness of any provision in this Ordinance that is inconsistent with State or Federal law, as may be amended.

SECTION 16. Transfer of Franchise. CenturyLink's right, title, or interest in the Franchise shall not be sold, transferred, assigned, or otherwise encumbered without notice to the City, except when said sale, transfer, assignment, sharing of rights and obligations, or encumbrance is to an entity controlling, controlled by, or under common control with CenturyLink, or for transfers in trust, by mortgage, by other hypothecation, or by assignment of any rights, title, or interest of CenturyLink in the Franchise or Facilities in order to secure indebtedness.

SECTION 17. Entire Agreement; Amendment. Amendments to the terms and conditions contained herein shall be mutually agreed upon by the City and CenturyLink and formally adopted by the City Council as an ordinance amendment. This Franchise and all attachments hereto constitute and represent the entire agreement and understanding between the parties hereto and replaces any previous agreement, understanding or negotiation between the parties with respect to the subject matter hereof.

SECTION 18. Notices. Any notice required or permitted to be given hereunder shall be deemed sufficient if given by a communication in writing and shall be deemed to have been received (a) upon personal delivery or (b) upon receipt or refusal after such notice is deposited in the United States Mail, postage prepaid, certified, and addressed to the Parties as set forth below:

The City;
City Administrator
6030 William R. Carr Ave.
Adair Village, OR 97330

CenturyLink;
Franchise Rights-of-Way Attorney
931 14th St., 9th Floor
Denver, Colorado 80202

With copy to:
CenturyLink
c/o NIS Contract Management
1025 Eldorado Blvd.
Broomfield CO. 80021

SECTION 19. Severability. If any section, sentence, paragraph, term or provision hereof is for any reason determined to be illegal, invalid, or superseded by other lawful authority, including any state or federal regulatory authority having jurisdiction thereof, or unconstitutional, illegal or invalid by any court of common jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such determination shall have no effect on the validity of any other section, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise or any renewal or renewals thereof.

SECTION 20. Binding Agreement; Choice of Law. This Franchise shall be binding upon the heirs, successors, administrators and assigns of each of the parties. This Franchise shall be interpreted under the laws of the State of Oregon.

CONSIDERED and APPROVED this ____ day of _____, 20 ____.

ADAIR VILLAGE

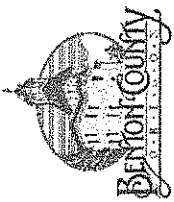
By: _____
[Name] , [Title]

ACCEPTED BY CENTURYLINK:

BY: _____

TITLE: _____

DATE: _____

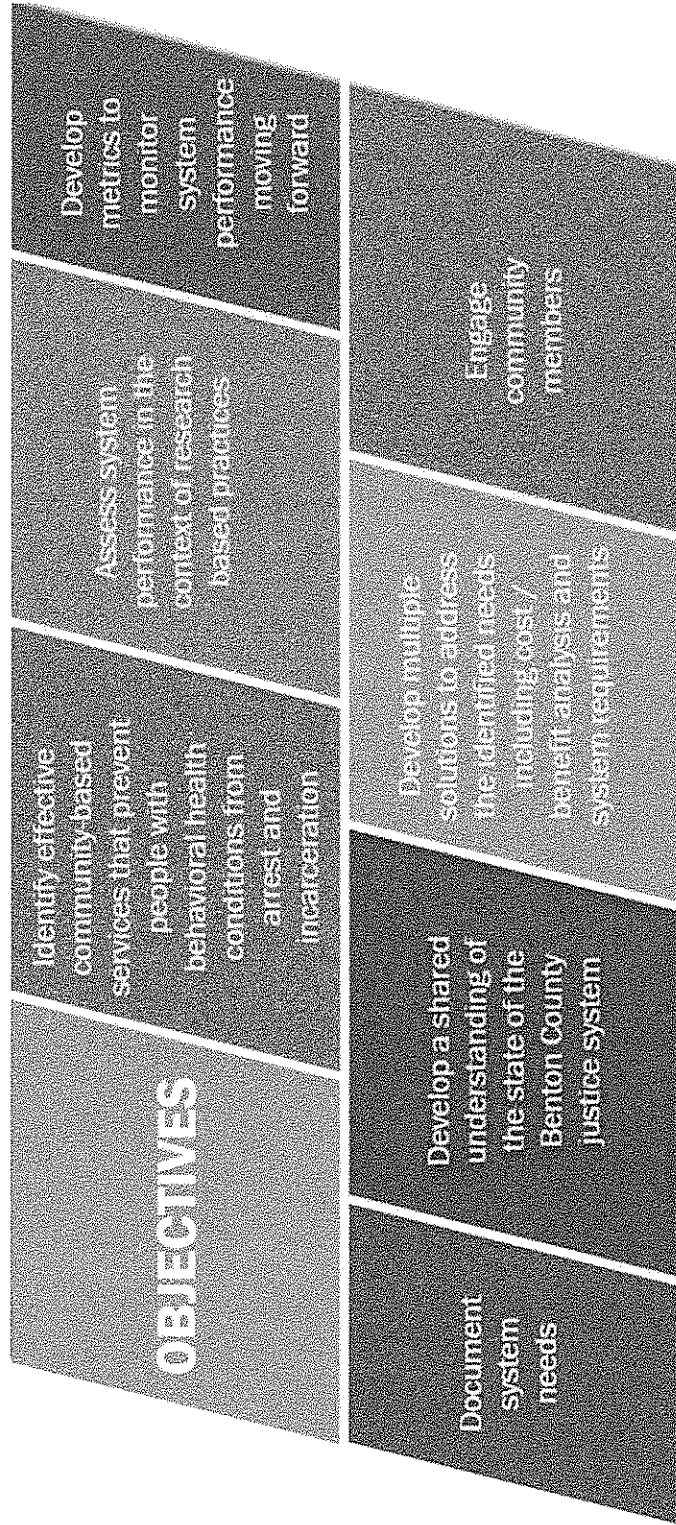


Benton County - Criminal Justice System Assessment

AKK

The primary purpose of the criminal justice system assessment is to provide a vision for a trusted and accessible system of justice that provides a high degree of safety and confidence.

- Investigate all aspects of the system, including behavioral health and diversion services
- Collect crime, jail, and court processing statistics & analyze justice system policy and practices
- Describe project population, service needs, trends and industry standards
- Conduct benchmarking, performance review
- Review use of evidence based practices which involve both corrections and treatment responses
- Identify improvements to the system to better serve the public and inmates
- Engage our communities & develop a common vision for the criminal justice system
- Host community forums, topic-based workshops, and focus groups with non-profit organizations, community groups and local partners to engage public in dialogue.



www.co.benton.or.us/criminaljustice

Subscribe to receive updates, submit feedback and learn more about the County's assessment

PHASE 1

Document Current Justice System Conditions

JAN

FEB

MAR

APR

MAY

JUN

JUL

AUG

SEP

OCT

NOV

DEC

PHASE 2

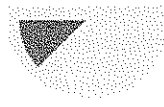
Conduct Needs Assessment

PHASE 3

Develop Solutions

PHASE 4

Develop and Submit Report



Phase 1 Work Plan and Community Engagement

Stakeholder meetings

Offender population analysis

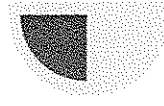
Justice System Policies and Practices

Justice System Process Mapping

Project launch and community meeting

Focus groups with non-profit organizations, community groups and local partners

Stakeholder interviews



Phase 2 Work Plan and Community Engagement

Courts, jail and probation system demands

Courts, jail, probation and program performance

Justice System Issues and Needs

Focus groups with non-profit organizations, community groups and local partners

Phase 1 and 2 data presentation and community meeting



Phase 3 Work Plan and Community Engagement

Alternative solutions

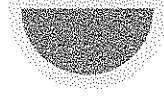
Stakeholder review

Fiscal impact

Information system requirements

Focus groups with non-profit organizations, community groups and local partners

Topic-based workshops



Phase 4 Work Plan and Community Engagement

Draft report

Implementation plans

Final Report

Draft report presentation and community discussion

Final report community briefing