



128 S Main St.
PO Box 445
Condon, OR 97823
P: 541-384-2711
F: 541-384-2700

**AGENDA
CITY OF CONDON
REGULAR MEETING
128 SOUTH MAIN STREET, CITY HALL, CONDON, OREGON
Wednesday, August 7, 2019, 7:00 PM**

- 1. CALL REGULAR MEETING TO ORDER**
- 2. ROLL CALL**
- 3. ADDITIONS TO AGENDA**
 - 3.1. ** Amendment to ODOT Grant**
 - 3.2. ** Council Information - Condon Chamber of Commerce**
- 4. PUBLIC COMMENT**
 - 4.1. The Council will hear discussion of unannounced matters from the floor and comments on the agenda items. Comments are limited to five (5) minutes.**
- 5. CONSENT AGENDA**
 - 5.1. Review and Approve July 10, 2019 Regular Council Meeting Minutes**
 - 5.2. Review Accounts Payable of July 10, 2019, July 11, 2019, July 29, 2019 and VISA Statements**
- 6. OLD BUSINESS**
 - 6.1. Fiber Project Update**
 - 6.2. Fairway Housing Project Update**
- 7. NEW BUSINESS**
 - 7.1. Review & Approve OLCC Renewals for Condon Food Mart, Elks Lodge #1869 Condon, Historic Hotel Condon/Lori's Place, Murray's Condon Pharmacy, The Condon Round-Up (on premise sales), The Condon Round-Up (off Premise sales) & Two Boys Meat & Groceries.**
 - 7.2. Appoint Haley Potter to Condon City Planning Commission**
 - 7.3. Discuss Ward Street Shop Lease - Gilliam County Transportation**
 - 7.4. Discuss Golf Course Clubhouse**
 - 7.5. Review & Approve The Round-Up Off Premise-Catering Sales Request**
 - 7.6. Review & Discuss Farm/Pivot Lease**
 - 7.7. Review Draft Economic Opportunity Analysis Grant Report**
 - 7.8. ** Addition ** Discuss and Approve ODOT Grant Amendment Number 01 - Local Agency Agreement**
- 8. STAFF REPORTS**
 - 8.1. Public Works - Public Works Superintendent Gibb Wilkins**



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8.2. Police - Gilliam County Sheriff Gary Bettencourt

8.3. Administration - City Administrator Kathryn Greiner

9. COUNCIL INFORMATION

9.1. ** Addition ** Correspondence from Condon Chamber of Commerce

10. NEXT REGULAR MEETING DATE

10.1. Next regular Condon City Council is Wednesday, September 4, 2019, 7 p.m.

11. ADJOURN REGULAR MEETING

If necessary, Executive Session may be held in accordance with ORS 192.660(2)(c). As this is a regular meeting of the Condon City Council, other matters may be addressed as deemed appropriate by the Council. Assisted listening device is available for persons with impaired hearing and should be scheduled for council meetings three working days prior to the Council meeting. The City of Condon is an Equal Opportunity Provider and Employer. Complaints of discrimination should be sent to City of Condon Administrator, PO Box 445, Condon, OR 97823

Agenda prepared and distributed July 31, 2019



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City of Condon Regular Council Meeting Minutes Wednesday, July 10, 2019 7:00 PM

1. CALL REGULAR MEETING TO ORDER

Mayor Jim Hassing called the meeting to order at 7:01 p.m.

2. ROLL CALL

Present: Mayor Jim Hassing, Councilors Dawn Parm, Michael Cronk, Brian Barnett, Jan Stinchfield, Tom Fatland and Donald Jamieson; Staff Public Works Superintendent Gibb Wilkins and City Administrator Kathryn Greiner

3. ADDITIONS TO AGENDA

None

4. PUBLIC COMMENT

- 4.1. The Council will hear discussion of unannounced matters from the floor and comments on the agenda items. Comments are limited to five (5) minutes.**

None

5. CONSENT AGENDA

5.1. Approve June 5, 2019 Regular Council Meeting and Budget Hearing

Motion was made by Councilor Fatland to approve the June 5, 2019 regular meeting and budget hearing minutes. The motion was seconded and approved unanimously.

5.2. Accounts Payable June 10, 2019

Councilor Fatland asked about the check to Rod Mac Connell regarding bench repair. CA Greiner said that Mac Connell fixed the portion of the Main Street benches where the plaques were located and used transient tax funds for this expense.

5.3. Accounts Payable June 28, 2019

5.4. VISA Statements



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5.5. Review & Approve Inland Development Payments on Fiber Project

CA Greiner said that the final bill from Inland Development included four of the five payments scheduled payments of the contract. The council previously approved two of the payments of the four payments and due to the amount being over \$50,000, the council needed to approve the final two payments. She said that the final report is due any day by project manager Adam Haas and once he signs off on the payments it can be mailed to Inland Development.

A motion was made by Councilor Fatland to approve the final two payments to Inland Development Corporation in the amount of \$228,321.75 upon Adam Haas approval. The motion was seconded by Councilor Stinchfield and approved unanimously.

6. OLD BUSINESS

6.1. Fiber Project Update & Strategic Plan Discussion

CA Greiner stated that the council needs to prioritize how to proceed with the fiber optic line now that it has been completed. She suggested that the city prioritize tasks and suggested that the city get an Intergovernmental Agreement (IGA) with Gilliam County, set rates for customers, determine how to handle the connection for customers and meet with interested customers of the fiber. Councilor Fatland asked if the Memorandum of Understanding (MOU) was rescinded by Columbia Basin Electric Cooperative, and CA Greiner stated that she did not have any information that their board rescinded it. Councilor Stinchfield suggested that the city and county meet to determine a draft IGA of who is going to do the billing, manage the fibers and set rates. Gilliam County Judge Elizabeth Farrar was present and said that they have an agreement with Frontier Telenet to pay for some of the monthly fiber cost to connect the local 911 call center. Councilor Jamieson stated that he would like to know what the goal of monthly revenue is needed to cover the city and county's costs and work back to a rate. CA Greiner said that a previous rate sheet showed comparable fees and the lowest was approximately \$600 a month for a fiber pair or \$300 each. Discussed a rate of \$500 a month for a pair would generate \$6,000 a month for each entity. It was the consensus of the council for CA Greiner and Judge Farrar to meet and work together on an IGA that would include proposed rates, who would manage the finances of the leasing of the fiber lines and come back with a proposal.

CA Greiner asked how the council wanted to move forward with the broadband strategic plan update, and it was determined that the current plan was sufficient until the IGA and other details of the fiber be determined.

6.2. Memorial Hall Acoustic Project Update

CA Greiner said that the project is waiting on the installation of the track lighting and dimmer switches to be complete. Councilors Parm and Stinchfield suggested that the track lighting be put on hold until we determine if it is needed. The lights have been purchased and will be stored until a later date for installation.

6.3. Fariway Housing Project Update

CA Greiner stated that the engineers are expected to deliver their preliminary drawings to Public Works staff in the next two weeks and bring the documents to the council in August. The engineering is to get the water and sewer lines engineered to the proposed subdivision north of the golf course.

7. NEW BUSINESS



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7.1. Finance Committee & Personnel Recommendations

Councilor Jamieson asked if the state's Cost of Living Adjustment was 3%. CA Greiner stated that the COLA or Consumer Price Index (CPI) information collected was from local organizations and ranged from 2.6-3.7%. Councilor Jamieson said that it may be time to put a cap on employees insurance or have them contribute to the cost and asked what the current rates were for insurance. CA Greiner said that for the employee only it is approximately \$700; employee plus child or spouse \$1,300 and employee and family \$2,000 a month. Councilor Jamieson asked that a cap be considered during the next budget cycle.

A motion was made by Councilor Jamieson to approve the Finance Committee's recommendations for personnel. The motion was seconded by Councilor Fatland and approved unanimously.

Discussion was held regarding the fee schedule and suggested changes to it. Councilor Stinchfield suggested that it be reviewed all at one time by the council. It was the consensus of the council that PW Wilkins and CA Greiner will go through it and propose the fees and bring back for a review.

7.2. Discuss Gilliam County Sheriff's Office Contract for Police Services

Council received minutes from the Public Safety Committee where the police contract with Gilliam County Sheriff's office was discussed. Committee member Councilor Fatland said that he hasn't heard any complaints but wanted to check in on the 40 hours a week that was in the contract. Councilor Stinchfield noted that the cost was not increased, and Councilor Jamieson said that he thinks "we are getting our money's worth." Committee member Councilor Barnett asked if CA Greiner had heard if the insurance is adequate and she had not done that task but will follow up.

7.3. Resolution 2020-01 - A Workers' Compensation Volunteer Coverage

The annual resolution regarding workers' compensation for volunteers was reviewed by councilors. A short discussion regarding volunteer rosters and who is covered was held.

A motion was made by Councilor Fatland to approve Resolution 2020-01 - A Workers' Compensation Volunteer Coverage resolution. The motion was seconded by Councilor Stinchfield and approved unanimously.

8. STAFF REPORTS

8.1. Public Works - Public Works Superintendent Gibb Wilkins

PW Wilkins noted that 8.9 million gallons of water was pumped slightly over the average of 8.7 million gallons at the same time last year. The crew is prepping for the summer water project on Spring Street from Main To Jefferson Streets, noted that the mowing is done on the city's rights-of-way and at City Farm and new crosswalks have been installed by the Condon Grade School. PW Wilkins said that the current farming contract with John Johnson would need to be amended or decide if the city wants to be responsible for the crop. The options are to rewrite the contract or put it out to public bid and will be put on the council's agenda in August. PW Wilkins said that the estimated cost of the seed is between \$1,000-3,000 and you may get two cuttings with a much higher price for the hay. Councilor Jamieson asked about the remaining water and PW Wilkins said that they have 76" remaining and on average the start of the year is 80". The farming discussion will go on the August 7 council agenda.

8.2. Police - Gilliam County Sheriff Gary Bettencourt

Written statistical report was submitted by Gilliam County Sheriff's office in Sheriff Bettencourt's absence.



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8.3. Administration - City Administrator Kathryn Greiner

CA Greiner reported that she had attended two Greater Eastern Oregon Development Corporation (GEODC) meetings since the June meeting and continues to learn more about the organization. Her goal is to get GEODC programs in Gilliam County, especially Condon. She attended a lunch in Arlington with Metro and Waste Management personnel in hopes to gain some insight into recycling opportunities in Condon but did not get any solid information to move forward. CA Greiner reported that there is a "rural revitalization" committee that is working together locally and invited councilors to view a video by Lori Anderson and to contact her if she wanted to set this up at a council meeting. She reported that Oregon Department of Transportation (ODOT) was in Condon this week for a walking tour of the proposed sidewalk project on North Main Street and the Oregon Department of Land Conservation and Development will be in Condon July 25-26 for their board meeting.

9. COUNCIL INFORMATION

9.1. Art & Music Grant Award Letters

9.2. Finished 2019-20 Budget

10. NEXT REGULAR MEETING DATE

10.1. Next regular Condon City Council is Wednesday, August 7, 2019, 7 p.m.

11. ADJOURN REGULAR MEETING

Meeting was adjourned at 8:02 p.m.

Jim Hassing, Mayor

ATTEST: _____ Date _____
Kathryn Greiner City Administrator

Report Criteria:

Detail report.
Invoices with totals above \$0.00 included.
Paid and unpaid invoices included.

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
BOHN'S PRINTING							
148	BOHN'S PRINTING	55542	Copier Charge	06/26/2019	19.25	.00	
Total BOHN'S PRINTING:					19.25	.00	
COLUMBIA BASIN ELECTRIC							
169	COLUMBIA BASIN ELECTRIC	JUNE 2019	City Hall	06/25/2019	100.83	.00	
169	COLUMBIA BASIN ELECTRIC	JUNE 2019	Well St. Water	06/25/2019	108.66	.00	
169	COLUMBIA BASIN ELECTRIC	JUNE 2019	Park	06/25/2019	112.77	.00	
169	COLUMBIA BASIN ELECTRIC	JUNE 2019	Memorial Hall	06/25/2019	63.10	.00	
169	COLUMBIA BASIN ELECTRIC	JUNE 2019	Ward Street Shop	06/25/2019	28.60	.00	
169	COLUMBIA BASIN ELECTRIC	JUNE 2019	GC Clubhouse	06/25/2019	42.19	.00	
169	COLUMBIA BASIN ELECTRIC	JUNE 2019	Sewer Plant w pivot	06/25/2019	670.79	.00	
169	COLUMBIA BASIN ELECTRIC	JUNE 2019	Disposal Plant	06/25/2019	319.89	.00	
169	COLUMBIA BASIN ELECTRIC	JUNE 2019	GC Water	06/25/2019	162.76	.00	
169	COLUMBIA BASIN ELECTRIC	JUNE 2019	City Farm	06/25/2019	2,375.93	.00	
169	COLUMBIA BASIN ELECTRIC	JUNE 2019	Street Lights	06/25/2019	1,444.25	.00	
169	COLUMBIA BASIN ELECTRIC	JUNE 2019	Reservoir Control	06/25/2019	39.42	.00	
169	COLUMBIA BASIN ELECTRIC	JUNE 2019	GC Well	06/25/2019	101.61	.00	
169	COLUMBIA BASIN ELECTRIC	JUNE 2019	Swimming Pool	06/25/2019	419.88	.00	
169	COLUMBIA BASIN ELECTRIC	JUNE 2019	Library	06/25/2019	205.35	.00	
Total COLUMBIA BASIN ELECTRIC:					6,196.03	.00	
COUNTRY FLOWERS							
204	COUNTRY FLOWERS	JUNE 2019	Meeting Expense	06/30/2019	29.80	.00	
Total COUNTRY FLOWERS:					29.80	.00	
DEVIN OIL COMPANY							
224	DEVIN OIL COMPANY	JUNE 2019	Water	06/30/2019	140.66	.00	
224	DEVIN OIL COMPANY	JUNE 2019	Sewer Fuel	06/30/2019	140.66	.00	
Total DEVIN OIL COMPANY:					281.32	.00	
GMW INDUSTRIES, INC.							
768	GMW INDUSTRIES, INC.	386	Pool Pump Repair	06/24/2019	340.00	.00	
Total GMW INDUSTRIES, INC.:					340.00	.00	
HATTENHAUER DIST.							
304	HATTENHAUER DIST.	JUNE 2019	Golf	06/30/2019	144.85	.00	
304	HATTENHAUER DIST.	JUNE 2019	Park Fuel	06/30/2019	37.16	.00	
304	HATTENHAUER DIST.	JUNE 2019	Water	06/30/2019	103.26	.00	
304	HATTENHAUER DIST.	JUNE 2019	Sewer	06/30/2019	103.26	.00	
304	HATTENHAUER DIST.	JUNE 2019	Water	06/30/2019	28.20	.00	
Total HATTENHAUER DIST.:					416.73	.00	
HOME TELEPHONE COMPANY							
766	HOME TELEPHONE COMPANY	JUNE 2019	Administration	07/01/2019	191.32	.00	
766	HOME TELEPHONE COMPANY	JUNE 2019	Water	07/01/2019	44.77	.00	
766	HOME TELEPHONE COMPANY	JUNE 2019	Sewer	07/01/2019	97.44	.00	

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
766	HOME TELEPHONE COMPANY	JUNE 2019	Pool	07/01/2019	219.75	.00	
Total HOME TELEPHONE COMPANY:					553.28	.00	
INLAND CHEMICAL SERVICE							
324	INLAND CHEMICAL SERVICE	062019030	Golf Supplies/Fertilizer	06/30/2019	105.00	.00	
324	INLAND CHEMICAL SERVICE	062019030	Park Supplies	06/30/2019	55.40	.00	
324	INLAND CHEMICAL SERVICE	062019050	Golf Supplies/Fertilizer	06/30/2019	398.00	.00	
Total INLAND CHEMICAL SERVICE:					558.40	.00	
M & A AUTO PARTS							
371	M & A AUTO PARTS	JUNE 2019	Janitorial	06/30/2019	21.96	.00	
371	M & A AUTO PARTS	JUNE 2019	Golf Supplies	06/30/2019	23.44	.00	
371	M & A AUTO PARTS	JUNE 2019	Golf Repair	06/30/2019	66.84	.00	
371	M & A AUTO PARTS	JUNE 2019	Park	06/30/2019	29.68	.00	
371	M & A AUTO PARTS	JUNE 2019	Pool	06/30/2019	53.50	.00	
371	M & A AUTO PARTS	JUNE 2019	Streets	06/30/2019	11.28	.00	
371	M & A AUTO PARTS	JUNE 2019	Water	06/30/2019	11.99	.00	
371	M & A AUTO PARTS	JUNE 2019	Sewer	06/30/2019	30.00	.00	
Total M & A AUTO PARTS:					248.69	.00	
MORROW COUNTY GRAIN GROW.							
377	MORROW COUNTY GRAIN GRO	JUNE 2019	Pool Propane	06/30/2019	1,900.44	.00	
Total MORROW COUNTY GRAIN GROW.:					1,900.44	.00	
OFFICE DEPOT							
427	OFFICE DEPOT	330977742001	Office Supplies	06/19/2019	16.91	.00	
Total OFFICE DEPOT:					16.91	.00	
THE POOL AND SPA HOUSE							
649	THE POOL AND SPA HOUSE	620797-1	Pool Chemicals & Supplies	06/29/2019	187.52	.00	
Total THE POOL AND SPA HOUSE:					187.52	.00	
THE TIMES-JOURNAL							
540	THE TIMES-JOURNAL	JUNE 2019	Water Quality Report Legal	06/30/2019	33.00	.00	
540	THE TIMES-JOURNAL	JUNE 2019	Pool Advertising	06/30/2019	51.00	.00	
Total THE TIMES-JOURNAL:					84.00	.00	
VISA							
559	VISA	JUNE 2019 69	Pool supplies	06/21/2019	204.76	.00	
559	VISA	JUNE 2019 69	Janitorial	06/21/2019	114.66	.00	
559	VISA	JUNE 2019 85	Water Supplies	06/21/2019	70.00	.00	
559	VISA	JUNE 2019 85	Administration	06/21/2019	42.50	.00	
559	VISA	JUNE 2019 85	Pool supplies	06/21/2019	236.94	.00	
559	VISA	JUNE 2019 85	Golf	06/21/2019	149.50	.00	
559	VISA	JUNE 2019 85	Park Supplies	06/21/2019	149.50	.00	
559	VISA	JUNE 2019 85	Sewer Travel	06/21/2019	10.31	.00	
Total VISA:					978.17	.00	
Grand Totals:					11,810.54	.00	

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
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Dated: _____

Mayor: _____

City Administrator: _____

Report Criteria:

Detail report.

Invoices with totals above \$0.00 included.

Paid and unpaid invoices included.

Report Criteria:

Detail report.

Invoices with totals above \$0.00 included.

Paid and unpaid invoices included.

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
CASELLE , INC							
166	CASELLE , INC	95758	2019-20 Support	06/01/2019	1,444.00	.00	
166	CASELLE , INC	95758	2019-20 Support	06/01/2019	1,444.00	.00	
166	CASELLE , INC	95758	2019-20 Support	06/01/2019	1,444.00	.00	
Total CASELLE , INC:					4,332.00	.00	
CITY/COUNTY INSURANCE							
173	CITY/COUNTY INSURANCE	PO-CON-I2019	Property/Liability/Auto 2019-20	07/01/2019	9,700.00	.00	
173	CITY/COUNTY INSURANCE	PO-CON-I2019	Property/Liability/Auto 2019-20	07/01/2019	9,700.00	.00	
173	CITY/COUNTY INSURANCE	PO-CON-I2019	Property/Liability/Auto 2019-20	07/01/2019	9,681.97	.00	
173	CITY/COUNTY INSURANCE	PO-CON-W201	Workers' Comp Ins 2019-20	07/01/2019	114.51	.00	
173	CITY/COUNTY INSURANCE	PO-CON-W201	Workers' Comp Ins 2019-20	07/01/2019	1,145.03	.00	
173	CITY/COUNTY INSURANCE	PO-CON-W201	Workers' Comp Ins 2019-20	07/01/2019	229.01	.00	
173	CITY/COUNTY INSURANCE	PO-CON-W201	Workers' Comp Ins 2019-20	07/01/2019	1,603.05	.00	
173	CITY/COUNTY INSURANCE	PO-CON-W201	Workers' Comp Ins 2019-20	07/01/2019	5,610.63	.00	
173	CITY/COUNTY INSURANCE	PO-CON-W201	Workers' Comp Ins 2019-20	07/01/2019	2,404.57	.00	
173	CITY/COUNTY INSURANCE	PO-CON-W201	Workers' Comp Ins 2019-20	07/01/2019	343.51	.00	
Total CITY/COUNTY INSURANCE:					40,532.28	.00	
INLAND DEVELOPMENT CORPORATION							
897	INLAND DEVELOPMENT CORP	18510 JULY 20	MRC Fiber Project	07/01/2019	2,000.00	.00	
Total INLAND DEVELOPMENT CORPORATION:					2,000.00	.00	
JAN OELMAN							
424	JAN OELMAN	JULY 2019 CR	114601	07/03/2019	37.07	.00	
Total JAN OELMAN:					37.07	.00	
SCHOLL, DERRICK							
1065	SCHOLL, DERRICK	JULY 2019	Dep Ref 2205.03 321 S. Ward	07/03/2019	132.09	.00	
Total SCHOLL, DERRICK:					132.09	.00	
Grand Totals:					47,033.44	.00	

Dated: _____

Mayor: _____

City Administrator: _____



**Bank of
Eastern Oregon**
Member FDIC/Equal Housing Lender

CITY OF CONDON
CITY OF CONDON 1

Account Number: ##### 6910
Page 1 of 4



JUL - 1 2019

Account Summary

Billing Cycle		06/21/19
Days In Billing Cycle		30
Previous Balance		\$453.27
Purchases	+	319.42
Cash	+	0.00
Special	+	\$0.00
Balance Transfers	+	\$0.00
Credits	-	\$0.00
Payments	-	\$453.27
Other Charges	+	\$0.00
Finance Charges	+	0.00

NEW BALANCE **\$319.42**

Credit Summary

Total Credit Line	\$10,000.00
Available Credit Line	\$9,680.00
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$0.00
Disputed Amount	\$0.00

Important Information About Your Account

MANAGE YOUR CARD ACCOUNT ONLINE. IT'S FREE! IT'S EASY! SIMPLY GO TO WWW.MYCARDSTATEMENT.COM AND ENROLL IN OUR ONLINE SERVICE. YOU CAN REVIEW ACCOUNT INFORMATION, TRACK SPENDING, SET ALERT SERVICE, NOTIFICATIONS, DOWNLOAD FILES, AND MUCH MORE. MANAGING YOUR ACCOUNT IS FAST, SECURE AND EASY WITH MYCARDSTATEMENT.COM. ENROLL TODAY!

CHANGE IN TERMS: VISA ANNOUNCED THAT EFFECTIVE APRIL 13TH, 2019, FOREIGN TRANSACTION FEES WOULD INCREASE FROM 0.80% TO 1.00% WHETHER CURRENCY CONVERSION OCCURS OR NOT. FOR YOUR BANK OF EASTERN OREGON VISA CARD, THE FOREIGN TRANSACTION FEE WILL BE WAIVED FROM 4/13/2019 THROUGH 8/15/2019. AFTER 8/15/2019 ALL FOREIGN TRANSACTION FEES WILL BE 1.00% WHETHER CURRENCY CONVERSION OCCURS OR NOT.

Cardholder Account Summary

Trans Date	Post Date	MCC Code	Reference Number	Description	Amount
06/05/19	06/06/19	5942	24431069156083735976773	AMZN MKTP US*M67ZG2ED1 AM AMZN.COM/BILL WA	\$108.44

146.39

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT

BANK OF EASTERN OREGON
P O BOX 39
HEPPNER OR 97836 - 0039



Account Number

6910

Check box to indicate
name/address change on
back of this coupon ☐

AMOUNT OF PAYMENT ENCLOSED

Closing Date

06/21/19

New Balance

\$319.42

Total Minimum
Payment Due

\$319.42

Payment Due Date

07/16/19

\$

CITY OF CONDON
CITY OF CONDON 1
PO BOX 445
CONDON OR 97823-0445



MAKE CHECK PAYABLE TO:

VISA
PO BOX 4512
CAROL STREAM IL 60197-4512

1.2 4344 2212 1001 6910 00031942 00031942 5

Account Number: ##### 6910
Closing Date: 06/21/19
Credit Limit: \$10,000.00 Available Credit: \$9,680.00

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Cardholder Account Summary Continued					
Trans Date	Post Date	MCC Code	Reference Number	Description	Amount
06/06/19	06/06/19	5942	24431069157083746218917	AMAZON.COM*M62XD0011 AMZN	\$58.37
				AMZN.COM/BILL WA	
06/09/19	06/10/19	5942	24431069160083733186916	AMZN MKTP US*M63G56ER2 AM	\$37.95
				AMZN.COM/BILL WA	
06/11/19	06/12/19	6010	1 9163121791000090	PAYMENT - THANK YOU	\$453.27 -
06/13/19	06/14/19	5942	24692169164100279251793	AMZN Mktp US*M61BI8150	\$17.87 ✓
				Amzn.com/bill WA	
06/16/19	06/16/19	5942	24431069167083346760860	AMZN MKTP US*M66Y39XP0 AM	\$96.79 ✓
				AMZN.COM/BILL WA	

Additional Information About Your Account

Interest Charge Calculation/Plan Level Information						
Plan Description	ICM ¹	Balance Subject to Interest Rate	Periodic Rate	Annual Percentage Rate (APR) ²	Interest Charge	Ending Balance
CURRENT						
PURCHASES	G	\$ 0.00	1.3200%	15.84%	\$ 0.00	
CASH	F	\$ 0.00	1.3200%	15.84%	\$ 0.00	
FEES/INTEREST CHARGE					\$ 0.00	
TOTAL				0.00%	\$ 0.00	\$ 319.42

¹ ICM Interest Charge Method: See reverse side of Page 1 for explanation.
² Your Annual Percentage Rate (APR) is the annual interest rate on your account.
(V) = Variable Rate. If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.

Pool 10 204.76
A40 114.66



**Bank of
Eastern Oregon**
Member FDIC/Equal Housing Lender

CITY OF CONDON
CITY OF CONDON 2
Account Number: ##### 8577
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VISA

JUL - 1 2019

Account Summary

Billing Cycle	06/21/19
Days In Billing Cycle	30
Previous Balance	\$1,723.75
Purchases	+
Cash	+
Special	+
Balance Transfers	+
Credits	-
Payments	-
Other Charges	+
Finance Charges	+

NEW BALANCE \$658.75

Credit Summary

Total Credit Line	\$10,000.00
Available Credit Line	\$9,341.00
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$0.00
Disputed Amount	\$0.00

Important Information About Your Account

MANAGE YOUR CARD ACCOUNT ONLINE. IT'S FREE! IT'S EASY! SIMPLY GO TO WWW.MYCARDSTATEMENT.COM AND ENROLL IN OUR ONLINE SERVICE. YOU CAN REVIEW ACCOUNT INFORMATION, TRACK SPENDING, SET ALERT SERVICE, NOTIFICATIONS, DOWNLOAD FILES, AND MUCH MORE. MANAGING YOUR ACCOUNT IS FAST, SECURE AND EASY WITH MYCARDSTATEMENT.COM. ENROLL TODAY!

CHANGE IN TERMS: VISA ANNOUNCED THAT EFFECTIVE APRIL 13TH, 2019, FOREIGN TRANSACTION FEES WOULD INCREASE FROM 0.80% TO 1.00% WHETHER CURRENCY CONVERSION OCCURS OR NOT. FOR YOUR BANK OF EASTERN OREGON VISA CARD, THE FOREIGN TRANSACTION FEE WILL BE WAIVED FROM 4/13/2019 THROUGH 8/15/2019. AFTER 8/15/2019 ALL FOREIGN TRANSACTION FEES WILL BE 1.00% WHETHER CURRENCY CONVERSION OCCURS OR NOT.

Cardholder Account Summary

Trans Date	Post Date	MCC Code	Reference Number	Description	Amount
05/23/19	05/24/19	9402	24445009144000837391938	USPS PO 4017920823	\$70.00 ✓
05/30/19	05/31/19	5812	24223699150030031577831	CONDON OR LORI'S PLACE CONDON OR	\$42.50 ✓

Account Inquiries



Customer Service: (800) 423-7503
Report Lost or Stolen Card: (727) 570-4881



Visit us on the web at:
www.MyCardStatement.com



Please send Billing Inquiries and Correspondence to:
PO BOX 30495 TAMPA, FL 33630-3495

Payment Summary

NEW BALANCE	\$658.75
MINIMUM PAYMENT	\$658.75
PAYMENT DUE DATE	07/16/19

NOTE: Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.

W10 70 G150 149.50
A10 42.50 P10 149.50
Pool 10 236.94 5510 10.31

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT

BANK OF EASTERN OREGON
P O BOX 39
HEPPNER OR 97836 - 0039



**Bank of
Eastern Oregon**
Member FDIC/Equal Housing Lender

Account Number

8577

Check box to indicate
name/address change on
back of this coupon ☐

AMOUNT OF PAYMENT ENCLOSED

Closing Date

06/21/19

New Balance

\$658.75

Total Minimum
Payment Due

\$658.75

Payment Due Date

07/16/19

\$

CITY OF CONDON
CITY OF CONDON 2
PO BOX 445
128 S MAIN ST
CONDON OR 97823-0445



MAKE CHECK PAYABLE TO:



VISA
PO BOX 4512
CAROL STREAM IL 60197-4512

1.2 4344 2212 1001 8577 00065875 00065875 2

Account Number: ##### 8577
Closing Date: 06/21/19
Credit Limit: \$10,000.00 Available Credit: \$9,341.00

Page 3 of 4

Cardholder Account Summary Continued						
Trans Date	Post Date	MCC Code	Reference Number	Description	Amount	
06/03/19	06/05/19	5200	24610439155010180350500	HOMEDPOT.COM 800-430-3376 GA	\$299.00	5150 P10
06/03/19	06/05/19	5814	24427339155710039455450	MCDONALD'S F11485 KENNEWICK WA	\$10.31	5510
06/11/19	06/12/19	6010	1 9163121791000100	PAYMENT - THANK YOU	\$1,723.75	
06/19/19	06/20/19	5655	24431059170200170204338	SWIMOUTLET.COM 800-691-4065 CA	\$236.94	Pool 10

Additional Information About Your Account

Interest Charge Calculation/Plan Level Information						
Plan Description	ICM ¹	Balance Subject to Interest Rate	Periodic Rate	Annual Percentage Rate (APR) ²	Interest Charge	Ending Balance
CURRENT						
PURCHASES	G	\$ 0.00	1.3200%	15.84%	\$ 0.00	
CASH	F	\$ 0.00	1.3200%	15.84%	\$ 0.00	
FEES/INTEREST CHARGE					\$ 0.00	
TOTAL				0.00%	\$ 0.00	\$ 658.75

¹ ICM Interest Charge Method: See reverse side of Page 1 for explanation.
² Your Annual Percentage Rate (APR) is the annual interest rate on your account.
(V) = Variable Rate. If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.

Report Criteria:

Detail report.
Invoices with totals above \$0.00 included.
Paid and unpaid invoices included.

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
AT&T MOBILITY							
599	AT&T MOBILITY	JUNE 2019	Police Cell Phone	07/06/2019	5.77	5.77	07/29/2019
Total AT&T MOBILITY:					5.77	5.77	
BAUM SMITH LLC							
831	BAUM SMITH LLC	24068	Admin Legal	07/23/2019	202.50	202.50	07/29/2019
Total BAUM SMITH LLC:					202.50	202.50	
DAVIS WRIGHT TREMAINE LLP							
882	DAVIS WRIGHT TREMAINE LLP	6646046	Fiber Project	07/19/2019	49.50	49.50	07/29/2019
Total DAVIS WRIGHT TREMAINE LLP:					49.50	49.50	
GILLIAM COUNTY ROAD DEPT.							
275	GILLIAM COUNTY ROAD DEPT.	1307	Roadside spraying	07/16/2019	972.31	972.31	07/29/2019
275	GILLIAM COUNTY ROAD DEPT.	1308	Golf Course Weed Spraying	05/22/2019	1,196.57	1,196.57	07/29/2019
Total GILLIAM COUNTY ROAD DEPT.:					2,168.88	2,168.88	
THYSSENKRUPP ELEVATOR							
773	THYSSENKRUPP ELEVATOR	3004624181	Lift Chair	06/01/2019	240.00	240.00	07/29/2019
Total THYSSENKRUPP ELEVATOR:					240.00	240.00	
Grand Totals:					2,666.65	2,666.65	

Dated: _____

Mayor: _____

City Administrator: _____

Final Project Completion Report



Cover photos include two pictures of the trenching machine used to place conduits and a vault ready for installation

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1 Project Overview

1.1 Project History

This project is the culmination of many years of regional planning and cooperation undertaken by the City of Condon and Gilliam County. On November 15, 2017, the City of Condon (City) and Gilliam County (County) issued a joint Request for Proposals for the construction of a middle mile transport fiber optic cable between the cities of Condon and Arlington. The project was ultimately awarded to Inland Development Corporation (Inland), also doing business as Windwave Communications. Inland is a local company with its headquarters in Boardman, Oregon.

As a result of the RFP, the City and County entered into individual Indefeasible Right of Use (IRUs) with Inland on the following significant elements:

- a) A 20 year term
- b) Exclusive rights to a total of 48 dark fibers (24 for the City and 24 for the County)
- c) End points in Arlington at the Arlington TV Cooperative and at the Inland colocation facility on Rhea Lane
- d) End points in Condon at: the NCESD building; County Courthouse; Condon City Hall; South Gilliam Co. Rural Fire Protection District; Condon Elementary School; Condon High School; and South Gilliam Co. Emergency Services
- e) The non-recurring installation (NRC) cost of \$1,288,838.50 for the County and \$618,839.50 for the City
- f) A monthly recurring charge (MRC) of \$2,000 for both the City and County each
- g) A committed construction completion date of April, 2020.

Project construction began in November of 2018 and concluded in July of 2019, nine months ahead of schedule. Inland should be commended for completing this project on a timely basis, particularly given the harsh winter conditions under which the Inland crews had to work.

1.2 Project Management Role

Converge Communications, Inc. (Converge) was retained by the City and County to oversee the project construction. According to the IRU, the role of the project manager is as follows:

Grantee shall have the right to employ the services of a Project Manager to monitor and report to Grantee on Grantor's actions relating to the construction, installation and commissioning of the Project. The Project Manager will be responsible for determining based on the exercise of reasonable commercial discretion applied consistent with generally accepted industry standards applicable to projects of this nature, whether the conditions set forth in (Exhibit B) with respect to a Project Milestone have been achieved. Nothing contained in this Section shall in any way diminish or limit the Grantor's construction management rights as set forth in Section 6(d).

1.3 Project Specifications

The IRU agreement contains certain specifications for how the fiber project should be designed and constructed. It is those project specifications that the Project Manager refers to in making his evaluation of the project. The first set of specifications relate to “Grantee Fiber Specifications” and the second set of specifications are termed “Additional Specifications”:

Grantee Fiber Specifications

1.3.1 Power Testing

Grantor will conduct end-to-end loss measurements for each Grantee Fiber in the span and from both directions using an industry-accepted laser source and power meter, using the bi-directional average to determine the end-to-end loss at each appropriate wavelength. Grantor will conduct this testing at 1550 nm for Standard Single Mode Fiber and Dispersion Shifted Fiber (True Wave™, LEAF™, etc.). Testing must ensure fiber continuity and the absence of crossed fibers in the span. Testing must be conducted where the Grantee Fiber is terminated by Grantor in fiber distribution panels at both ends of the span.

1.3.2 Manholes

Unless specified in an Order, all manholes provided by Grantor will be exclusively for Grantee Fibers, and Grantor will not permit any third parties (including Grantor) to route other fibers through the Grantee manholes or otherwise occupy any space within the manholes.

1.3.3 OTDR Test

- a) *Grantor will conduct optical time-domain reflectometer (“OTDR”) testing at 1550 nm wavelengths when the Grantee Fiber consists of Standard Single Mode Fiber or Dispersion Shifted Fiber (True Wave™, LEAF™, etc.). Grantor will conduct OTDR testing on a bi-directional basis for each Grantee Fiber in each span. However, if due to length or attenuation reasons the Grantee Fiber span exceeds the OTDR dynamic range, a portion or the entire span may be tested in a unidirectional basis. Alternatively, the Grantee Fiber span may be divided into shorter testing spans, to the extent reasonably possible, in order to obtain bi-directional analysis. Also, in instances where Grantee intends to accept Grantee Fibers that are not terminated at one end by Grantor in a fiber distribution panel (such as in a manhole or handhole), only unidirectional testing will be performed. Based on the foregoing OTDR testing methodology, each Grantee Fiber span must meet the following minimum performance requirements, excluding loss associated with splices and connectors:*

Fiber Type and Wavelength	Maximum Attention Coefficient (dB/km)
Singlemode at 1550 nm	0.25

- b) *Grantor will provide a turnover documentation package containing the actual traces detailing the testing parameters (including pulse width, averaging and range). The average bi-directional splice loss for all splices within each span must be 0.10 dB or less. The average bi-directional connector loss for all connectors within each span must be 0.50 dB or less*
- c) *Grantor will provide all traces in electronic format reasonably requested by Grantee using GR 196 format. If the average bi-directional splice loss of each span exceeds 0.10 dB, Grantor will provide upon Grantee's request documentation of at least three attempts to reduce this value to below 0.10 dB.*

1.4 Additional Project Specifications

In addition to the Fiber Specifications set forth in the IRU Agreement, Inland was also required to follow these Additional Specifications per the IRU Agreement below:

1.4.1 Underground Construction Specifications

Where underground construction is required on the Main Fiber Line: (i) facilities shall be buried at a depth of thirty-six (36) inches or greater; (ii) 50' minimum slack loops at access points; (iii) 100' loop at each splice point; and (iv) 38,000 ft. reels with no splices unless needed to reduce vulnerability.

1.4.2 Number of Conduits

Separate from and in addition to any conduit in which Grantee Fibers are located. Grantor shall also install: (i) two (2) spare 1 ¼" conduits on the Main Fiber Line, and (ii) three (3) spare 1 ¼" conduits with respect to any underground construction undertaken within Condon's city limits.

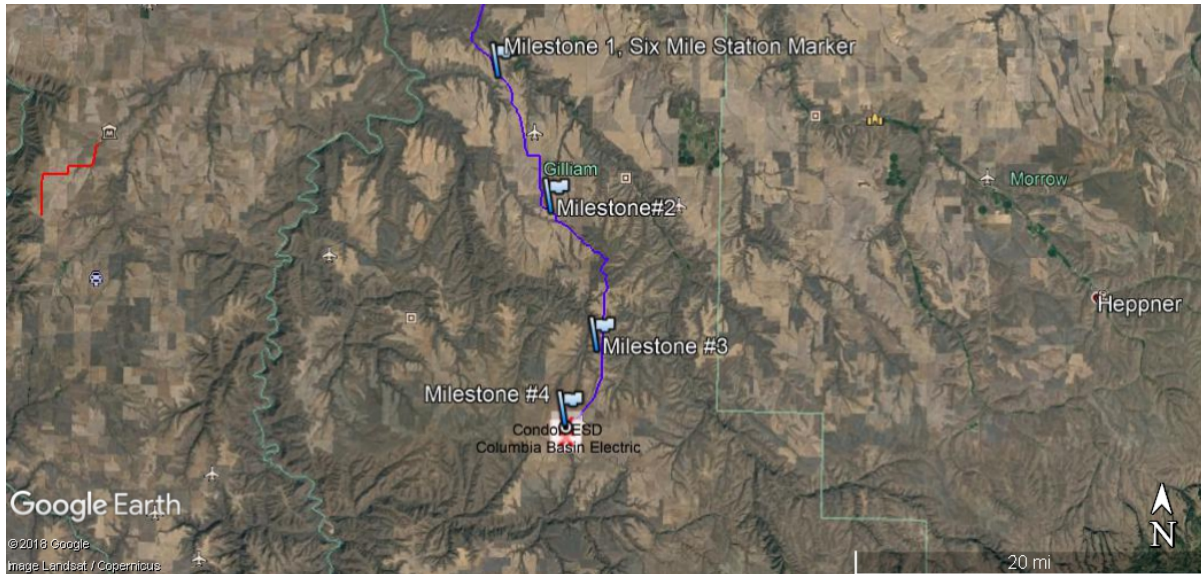
1.4.3 Access Point Locations

Grantee's NRC Obligation constitutes full consideration for all charges associated with Grantee's right to access Grantee Fibers at the A-End and Z-End Points specified in this Fiber Order. Grantee's right to access Grantee Fibers at any other point(s) shall be negotiated separately between Grantor and Grantee on a case-by-case basis; and, at Grantor's sole discretion, may be subject to additional NRC requirements. All vaults shall be installed at intersections, crossings, and points needed to prevent any single vault being located more than 1.5 miles from another vault.

1.5 Fiber Route

The fiber construction followed a path along Highway 19, then down Pennington Road and ultimately terminating in Cedar Springs, where Inland interconnected to its existing fiber network to provide connectivity into Arlington. The following figure shows the fiber route between Condon and Arlington.

Condon to Arlington



1.6 Project Acceptance

In addition to the on-going project management duties of Converge Communications, the IRU agreement sets out the timeframe for final acceptance of project completion:

1.6.1 Acceptance Process

Upon completion of installation and all testing required for acceptance of Grantee Fibers, Grantor will provide Grantee written notice tendering Grantee Fibers for acceptance testing ("Completion Notice"). Grantor's notice must include with the Completion Notice the results of any required Grantor testing. Within twenty (20) business days of receipt of a Completion Notice, Grantee shall provide Grantor with a written notice accepting or rejecting the Grantee Fibers. Grantee shall have the right to independently test the Grantee Fibers during the twenty (20) business day period; provided the Grantor shall have the right to be present at any such independent testing. Grantee may reject the Grantee Fibers only if they do not conform to the Specifications of Performance Standards, in which case Grantor will promptly correct the deficiency, and the acceptance process described in this paragraph will recommence.

The Completion Notices are contained in Appendix A

2 Project Management Process

Converge began monitoring the construction progress beginning in November of 2018. The monitoring included visual observations of the construction process, including:

- Trenching
- Installation of conduit
- Installation of vaults
- Directional drilling
- Installation of fiber cabling
- Measuring of conduit depth

Converge conducted a total of 9 site visits over the course of the construction process and provided a number of progress reports to the City and County (see appendix? for progress reports)

3 Project Milestones and Final Completion Report

Due to extreme weather conditions and other factors beyond Inland's control, Inland was not able to release fully completed project milestones as work progressed. As of this report, all milestones have been completed and the project itself is complete. Based on our final project walk-through on 07/02/19 and the submitted OTDR scans, Converge is now in a position to conclude that the project is complete and the requirements of the IRU agreement have been achieved.

3.1 Project Milestone and Final Completion Reports

The IRU Agreement set out the following requirements from the Project Milestone and Final Completion Reports:

3.1.1 Project Milestone Satisfaction Reports

As set forth in Section 5(b), Grantee's obligation to make a Project Milestone payment is contingent upon the issuance by the Project Manager to Grantee of a Project Milestone Satisfaction Report.

- a) Within seven (7) calendar days of Inland's submission of documentation relating to a request for payment of a portion of the Project Total NRC associated with General Expenses (Materials and Mobilization) the Project Manager shall (a) issue an associated Project Milestone Satisfaction Report to Grantee, or (b) notify Grantor and Grantee in writing that it has determined the Project Milestone has not been achieved, the basis for such determination, and remedial action recommendations for each alleged deficiency.*
- b) Within (10) calendar days after Grantor notifies the Project Manager in writing that Grantor believes a Project Milestone construction segment has been achieved, the Project Manager shall (a) issue an associated Project Milestone Satisfaction Report to Grantee, or (b) notify Grantor and Grantee in writing that it has been determined that the Project Milestone has not been achieved, the basis for such determination, and remedial action recommendations for each alleged deficiency.*

- c) *In the event Grantor disputes Project Manager's determination that a Project Milestone has not been achieved, Grantor may initiate the dispute resolution process set forth in Section 7*

3.1.2 Final Project Completion Report

Before the acceptance process set forth in Section 4(b) of the IRU Agreement is deemed to be complete, the Project Manager must issue to Grantee a Final Project Completion Report stating that the conditions with respect to the acceptance process have been satisfied.

- a) *Within ten (10) days after Grantor provides Grantee a Completion Notice, the Project Manager shall (a) issue an associated Final Project Completion Report, or (b) notify Grantor and Grantee in writing that it has been determined that the acceptance process is not complete, the basis for such determination, and remedial action recommendations for each alleged deficiency.*
- b) *In the event Grantor disputes Project Manager's determination that the acceptance process is not complete, Grantor may initiate the dispute process set forth in Section 7.*

3.2 Final Project Walkthrough 07/02/19

On July 2, 2019 Converge met with Blake Lawrence of Inland. We inspected a sampling of lateral connections in Condon, including the Courthouse, City Hall and the North Central ESD (NCESD) building.

- a) We noted a 12 fiber panel at the County Courthouse for termination of Inland fibers. The location of the panel is in the IT room adjacent to the Assessor's Office. (photo below)



- b) We noted a 96 count fiber termination in the HUB room of the NCESD. (photo



below)

c) We noted a 2 count fiber termination at City Hall. (photo below)



Following the sampling of fiber laterals, we then went to the CBEC substation at the north end of Condon. There, we were able to see two separate vaults that were installed at either end of the compound, thus providing a physically diverse pathway into the CBEC compound. We also observed a splice case where the 48 fibers of the IRU agreement reside. These fibers could not be terminated to CBEC because the CBEC communications shelter has yet to be installed. We also observed slack loops of 50 feet for access vaults and 100 feet for vaults containing splices.

We then drove the rest of the fiber route, occasionally opening vaults for inspection. We noted that some vault lids were not secured properly. We also noted some exposed conduit.

We located the vault where the fiber transitions from 216 count to 144 count. We drove to the North end of the construction project at Cedar Springs, where we opened the last vault. This vault has been designed with a T junction, in order to take the fiber down to Arlington and to provide for a spur to the east.

Lastly, we drove to the Arlington TV Cooperative and inspected the final vault where all 48 fibers of the IRU Agreement are terminated.

3.3 OTDR Fiber Testing

3.3.1 Optical Time-domain Reflectometer (OTDR) testing

OTDR testing is used to ensure that the fiber optic cabling has been installed properly and that there are no radius bends that are out of specification, nor any fiber splices with poor fusions. This testing is the critical final step to ensure that the dark fiber, once lit, will operate properly.

3.3.2 Testing Process

Inland staff performed all fiber splicing on the project and was also responsible for performing the OTDR testing. Inland provided those test results to Converge and a sampling of those results are included in Appendix C. There were a total 523 pages of OTDR test results. All 48 fibers were fully spliced between the six Condon end points (laterals) and the vault in the public right of way outside Arlington TV Cooperative. Bi-directional OTDR testing was performed on all 48 fibers between these locations.

The OTDR test equipment used by Inland to perform the testing is manufactured by EXFO, a company well respected for its hardware and software packages.

3.3.3 Test Results

The OTDR scans provided to Converge confirm that the fiber continuity meets generally acceptable industry specifications.

4 Project Schedule

Under the IRU Agreement, Construction completion is defined as the Ready for Service date with the following meaning:

...the date specified in the Fiber Order by which date Grantor must install and deliver the Grantee Fibers.

The fiber orders for both the City and County specify a Ready for Service date of 24 months from Fiber Order Effective Date. The County fiber order was signed on April 11, 2018 and the City fiber order was signed on April 6, 2018.

Therefore, according to the IRU agreement, construction is required to be complete by April, 2020. In fact, the project was completed a full nine months ahead of the contracted schedule, despite the fact that construction took place during extremely inclement winter weather and a very muddy Spring season.

5 Conclusion and Recommendations

Inland Development Corporation has done an excellent job implementing this project and should be commended for their focus on quality, timeliness and bringing the project in on budget and without any Contractor initiated change-orders.

5.1 Project Approval

With submission of this Final Project Completion Report, we recommended that full payment be made by the City of Condon and Gilliam County to Inland Development Corporation.

5.2 Project Recommendations

We have a few minor recommendations based on our final walk-through:

- a) Inland to provide a description of the location of each lateral installation in Condon
- b) Inland to notify City/County when all punch list items have been completed

- c) County Road Master to do a final inspection of the project to ensure that there is no exposed conduit and to confirm that vault lids are adequately secured

APPENDIX

Appendix A: Completion Notices



P.O. Box 1329
Boardman, OR 97818

COMPLETION NOTICE

Elizabeth Farrar
Gilliam County
PO Box 427
Condon, OR 97823

Dear Ms. Farrar,

Inland Development Corporation is pleased to send you this Completion Notice for the installation of the fiber pursuant to the Indefeasible Right to Use Agreement (the "Agreement") IRU Fiber Order 001 between Gilliam County and Inland Development Corporation executed on April 12th, 2018. Per Section 4b (Installation and Delivery; Acceptance – Acceptance Process) Upon completion of installation and all testing required for acceptance of Grantee Fibers, Grantor will notify Buyer that the Buyer Fibers are ready for acceptance testing ("Completion Notice").

All elements of the project and all milestones are completed and ready for your use as per Exhibit B – Project Milestones and Payment Schedule:

- A. PM No. 1 – Main Line Construction Segment: Cedar Springs to Private Drive, Mile Marker 6 on KMZ
 - 1. Construction and facility installation completed to required specifications and installed fiber ready for acceptance testing as part of Project Milestone No. 4
- B. PM No. 2 – Main Line Construction Segment: Barnette Road Milestone 1 to Mikkalo and Clem Road
 - 1. Construction and facility installation completed to required specifications and installed fiber ready for acceptance testing as part of Project Milestone No. 4.
- C. PM No. 3 – Main Line Construction Segment: Highway 19 and Beeks Lane
 - 1. Construction and facility installation completed to required specifications and installed fiber ready for acceptance testing as part of Project Milestone No. 4.
- D. PM No. 4 – Spur Connection Completion: Fiber Splicing and acceptance testing
 - 1. Grantee shall disburse final Project Milestone payment within thirty (30) days of receipt of a Final Project Completion Report as provided in Section 5.

Please see the attached test results with this letter that are our final deliverable on this project. We certify that the fiber provided in IRU Fiber Order 001 to grantee performs at or above the specifications in Exhibit B: Grantee Fiber Specifications.

If there are any other services that Inland Development may provide you please contact us, we are excited to further partner with you on expanding your county's broadband and telecom opportunities.

Thank you for the opportunity,

A handwritten signature in cursive script, appearing to read "Blake Lawrence".

Blake Lawrence, CEO/General Manager
June 28, 2019
Inland Development Corporation



P.O. Box 1329
Boardman, OR 97818

COMPLETION NOTICE

Jim Hassing
City of Condon
128 S. Main Street
Condon, OR 97823

Dear Mr. Hassing,

Inland Development Corporation is pleased to send you this Completion Notice for the installation of the fiber pursuant to the Indefeasible Right to Use Agreement (the "Agreement") IRU Fiber Order 001 between City of Condon and Inland Development Corporation executed on April 12th, 2018. Per Section 4b (Installation and Delivery; Acceptance – Acceptance Process) Upon completion of installation and all testing required for acceptance of Grantee Fibers, Grantor will notify Buyer that the Buyer Fibers are ready for acceptance testing ("Completion Notice").

All elements of the project and all milestones are completed and ready for your use as per Exhibit B – Project Milestones and Payment Schedule:

- A. PM No. 1 – Main Line Construction Segment: Cedar Springs to Private Drive, Mile Marker 6 on KM2
 - 1. Construction and facility installation completed to required specifications and installed fiber ready for acceptance testing as part of Project Milestone No. 4
- B. PM No. 2 – Main Line Construction Segment: Barnette Road Milestone 1 to Mikkalo and Clem Road
 - 1. Construction and facility installation completed to required specifications and installed fiber ready for acceptance testing as part of Project Milestone No. 4.
- C. PM No. 3 – Main Line Construction Segment: Highway 19 and Beeks Lane
 - 1. Construction and facility installation completed to required specifications and installed fiber ready for acceptance testing as part of Project Milestone No. 4.
- D. PM No. 4 – Spur Connection Completion: Fiber Splicing and acceptance testing
 - 1. Grantee shall disburse final Project Milestone payment within thirty (30) days of receipt of a Final Project Completion Report as provided in Section 5.

Please see the attached test results with this letter that are our final deliverable on this project. We certify that the fiber provided in IRU Fiber Order 001 to grantee performs at or above the specifications in Exhibit B: Grantee Fiber Specifications.

If there are any other services that Inland Development may provide you please contact us, we are excited to further partner with you on expanding your county's broadband and telecom opportunities.

Thank you for the opportunity,

Blake Lawrence, CEO/General Manager
June 28, 2019
Inland Development Corporation

Appendix B: Progress Reports

(To be inserted)

Appendix C: Sample OTDR Scans

OTDR Bidirectional Report

General Information Bidirectional

Filename: CONDON-FIELD_1.bdr Cable ID: ; Condon
Test date: 6/22/2019 Fiber ID: 1
Test time: 7:35:02 AM (GMT-08:00) Customer: ;
Job ID: ; Condon to Arlington Company: WindWave
Comment:

Location A

Location: CONDON-; CEDAR SPRINGS
Operator: Gus McIntosh;
Unit model: FTB-730C-SM3-EA
Unit sn: 985274
Calibration date: 3/18/2019

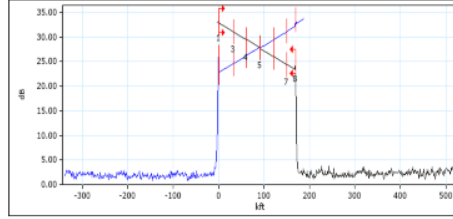
Location B

Location: FIELD-; CONDON
Operator: ; Lukas Parthey
Unit model: FTBx-735C-SM3-EA
Unit sn: 1231746
Calibration date: 4/15/2019

Results

Span length: 169.6335 kft Average splice loss: 0.015 dB
Span loss: 9.534 dB Maximum splice loss: 0.024 dB
Average loss: 0.056 dB/kft

Graphic



Bidir Event Table

Type	No.	Location/Length (kft)	Avg. Att Loss (dB/km)	Avg. Loss (dB)	Loss A-B (dB)	Loss B-A (dB)
Reflective	1	-		0.335		
Section		1.2895	0.184	0.072	0.082	0.063
Non-Reflective	2	1.2895		0.018	-0.015	0.050
Section		31.1652	0.182	1.725	1.742	1.708
Non-Reflective	3	32.4547		0.008	0.032	-0.015
Section		28.3685	0.181	1.568	1.573	1.564
Non-Reflective	4	60.8232		0.023	-0.103	0.149
Section		30.9219	0.186	1.745	1.741	1.749
Non-Reflective	5	91.6451		0.006	0.195	-0.183
Section		29.9176	0.182	1.658	1.655	1.661
Non-Reflective	6	121.5627		0.012	-0.026	0.091
Section		28.9798	0.181	1.597	1.611	1.583
Non-Reflective	7	150.5425		0.024	-0.048	0.096
Section		19.0910	0.185	1.077	1.077	1.077
Reflective	8	169.6335				0.440

EXFO

Signature: _____

Date: 6/22/2019

Page 1 of 523

OTDR Bidirectional Report

General Information A->B

Filename: CONDON-FIELD_1.bdr Cable ID: ; Condon
Test date: 6/19/2019 Fiber ID: 1
Test time: 4:19:48 PM (GMT-08:00) Customer: ;
Job ID: ; Condon to Arlington Company: WindWave
Comments:

Location A

Location: CONDON-; CEDAR SPRINGS
Operator: Gus McIntosh;
Unit model: FTB-730C-SM3-EA
Unit sn: 985274
Calibration date: 3/18/2019

Location B

Location: FIELD-; CONDON
Operator: ; Lukas Parthey
Unit model: FTBx-735C-SM3-EA
Unit sn: 1231746
Calibration date: 4/15/2019

Results

Span length: 169.6419 kft Average splice loss: 0.019 dB
Span loss: 9.504 dB Maximum splice loss: 0.195 dB
Average loss: 0.056 dB/kft Span ORL: 31.36 dB

Test Parameters

Wavelength: 1550 nm (9 µm)
Range: 524.9344 kft
Pulse: 1.0 µs

Duration: 10 s
High resolution: No

Test Settings

IOR: 1.468325 Splice loss detection threshold: 0.020 dB
Backscatter: -31.87 dB Reflectance detection threshold: -78.0 dB
Helix factor: 0.00 % End-of-fiber detection threshold: 5.000 dB

Markers Information A->B

A: -3.2823 kft 26.197 dB B: -3.2823 kft 26.197 dB
a: -3.2823 kft 26.197 dB b: -3.2823 kft 26.197 dB
B-A: 0.0000 kft 0.000 dB

Manual Measurements

4 points event loss: 0.000 dB A-B LSA attenuation: 1.#IOe+000 dB/km
A-B LSA loss: 0.000 dB 3 points reflectance: *****
2 points section attenuation: ***** A-B ORL: *****

General Information B->A

Filename: CONDON-FIELD_1.bdr Cable ID: ; Condon
Test date: 6/20/2019 Fiber ID: 1
Test time: 7:29:24 AM (GMT-08:00) Customer: ;
Job ID: ; Condon to Arlington Company: WindWave
Comments:

Location A

Location: CEDAR SPRINGS
Operator: ; Lukas Parthey
Unit model: FTBx-735C-SM3-EA
Unit sn: 1231746
Calibration date: 4/15/2019

Location B

Location: CONDON
Operator: ; Lukas Parthey
Unit model: FTBx-735C-SM3-EA
Unit sn: 1231746
Calibration date: 4/15/2019

Results

Span length: 169.6419 kft Average splice loss: 0.032 dB
Span loss: 9.503 dB Maximum splice loss: 0.149 dB
Average loss: 0.056 dB/kft Span ORL: 31.45 dB

Test Parameters

Wavelength: 1550 nm (9 µm)
Range: 524.9344 kft
Pulse: 1.0 µs

Duration: 10 s
High resolution: No

Test Settings

IOR: 1.468325 Splice loss detection threshold: 0.020 dB
Backscatter: -31.87 dB Reflectance detection threshold: -72.0 dB
Helix factor: 0.00 % End-of-fiber detection threshold: 5.000 dB

Markers Information B->A

A: -16.4283 kft 28.537 dB B: -16.4283 kft 28.537 dB
a: -16.4283 kft 28.537 dB b: -16.4283 kft 28.537 dB
B-A: 0.0000 kft 0.000 dB

Manual Measurements

4 points event loss: 0.000 dB B-A LSA attenuation: 1.#IOe+000 dB/km
A-B LSA loss: 0.000 dB 3 points reflectance: *****
2 points section attenuation: ***** B-A ORL: *****

EXFO

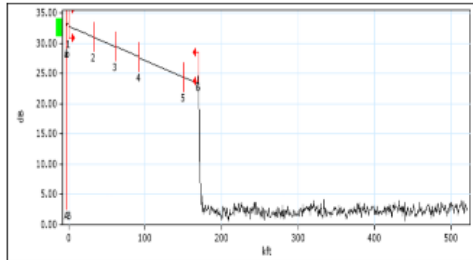
Signature: _____

Date: 6/22/2019

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OTDR Bidirectional Report

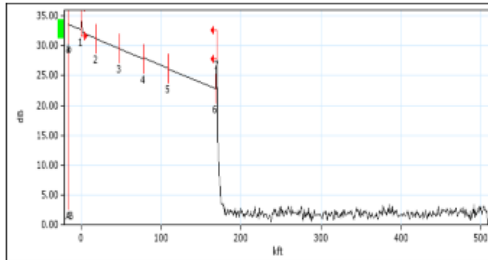
Graphic



Event Table A->B

Type	No.	Location/Length (km)	Loss (dB)	Reflection (dB)	Attenuation (dB/km)	Cumul. (dB)
Reflective	1	0.0000	0.335	-54.2		0.335
	Section	32.4547	1.811		0.183	2.146
Non-Reflective	2	32.4547	0.032			2.178
	Section	28.4355	1.573		0.181	3.751
Positive	3	60.8902	-0.103			3.648
	Section	30.7633	1.741		0.186	5.389
Non-Reflective	4	91.6535	0.195			5.584
	Section	58.9811	3.225		0.179	8.810
Positive	5	150.6346	-0.048			8.761
	Section	19.0073	1.077		0.186	9.839
Reflective	6	169.6419		-33.1		9.839

Graphic



Event Table B->A

Type	No.	Location/Length (km)	Loss (dB)	Reflection (dB)	Attenuation (dB/km)	Cumul. (dB)
Reflective	1	0.0000	0.440	-45.4		0.440
	Section	19.1747	1.077		0.184	1.516
Non-Reflective	2	19.1747	0.096			1.612
	Section	28.8877	1.583		0.180	3.195
Non-Reflective	3	48.0624	0.051			3.246
	Section	29.9260	1.661		0.182	4.908
Positive	4	77.9884	-0.183			4.724
	Section	30.8805	1.749		0.186	6.473
Non-Reflective	5	108.8689	0.149			6.622
	Section	59.4668	3.258		0.180	9.880
Non-Reflective	6	168.3356	0.050			9.930
	Section	1.2895	0.063		0.160	9.993
Reflective	7	169.6251		-22.6		9.993

EXFO

Signature: _____

Date: 6/22/2019

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OTDR Bidirectional Report

General Information Bidirectional

Filename: CONDON-FIELD_2.bdr

Test date: 6/22/2019

Test time: 7:35:02 AM (GMT-08:00)

Job ID: ; Condon to Arlington

Comment:

1550nm

Cable ID: ; Condon

Fiber ID: 2

Customer: ;

Company: WindWave

Location A

Location: CONDON-; CEDAR SPRINGS

Operator: Gus McIntosh;

Unit model: FTB-730C-SM3-EA

Unit s/n: 985274

Calibration date: 3/18/2019

Location B

Location: FIELD-; CONDON

Operator: ; Lukus Partney

Unit model: FTB-735C-SM3-EA

Unit s/n: 1231746

Calibration date: 4/15/2019

Results

Span length: 169.6502 km

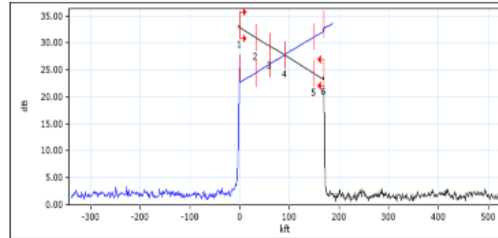
Span loss: 9.627 dB

Average loss: 0.057 dB/km

Average splice loss: 0.044 dB

Maximum splice loss: 0.087 dB

Graphic



Bidir Event Table

Type	No.	Location/Length (km)	Avg. Att. Loss (dB/km)	Avg. Loss (dB)	Loss A->B (dB)	Loss B->A (dB)
Reflective	1	-		0.343		
	Section	32.4714	0.181	1.794	1.795	1.794
Non-Reflective	2	32.4714	0.052	0.077	0.026	0.026
	Section	28.3685	0.181	1.566	1.579	1.553
Non-Reflective	3	60.8400	0.017	-0.052	0.085	0.085
	Section	30.5791	0.183	1.703	1.701	1.705
Non-Reflective	4	91.4190	0.087	0.055	0.118	0.118
	Section	59.1821	0.184	3.317	3.363	3.270
Non-Reflective	5	150.6011	0.020	0.078	-0.038	0.078
	Section	19.0491	0.185	1.073	1.070	1.075
Reflective	6	169.6502			0.448	

EXFO

Signature: _____

Date: 6/22/2019

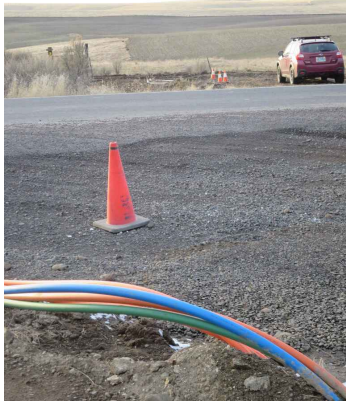
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Appendix D: Project Photos

Hwy 19 staging site	Site Visit 11-06-18
	
Hwy 19 staging site #1 view	Hwy 19 staging site #2 view
	
Hwy 19 staging site #3 view	Conduit Staging Area
	
Plow Chute Tractor #1 view	Plow Chute Tractor #2 view

	
Rock Saw Trencher for Zayo	
Hwy 19	Site Visit 12-05-18
	
Hammer y 19	Excavation of Trench
	
Locate flag for pipe line	Locate flags

	
Inland and Zayo conduits ready for install along Hwy 19	Open trench ready for conduit
	
Vault ready for placement	

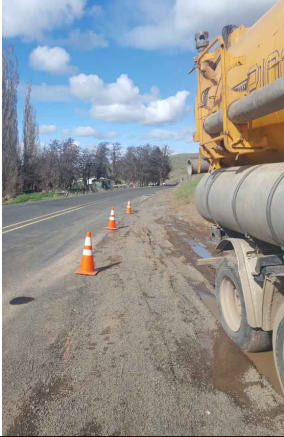
Conduit at Wolf Hollow Rd. and Pennington Rd.	Site Visit 1-02-19
	
Washout Along Pennington Rd.	Zayo Conduit at Wolf Hollow Rd.
	
Conduit Staging Area	Installed Vault at Pennington Rd #1
	
Conduit Staging Area	Caution Tape along Pennington Rd.

	
Vaults Ready For Placement	Conduit Trencher at Pennington Rd.
	
Installed Vault Pennington Rd. #2	Directional Drilling Along Pennington Rd

Condon to Arlington Fiber Project	Site Visit 3-14-19
	
Vaults Ready For Placement	Exposing Conduit For Vault #1
	
Exposing Conduit For Vault #2	Notching Vault for Conduit
	
Vault Placement #1	Vault Placement #2

	
Digging Trench	Excavating Soil
	
Measuring Trench Depth #1	Measuring Trench Depth #2
	
Measuring Trench Depth #3	Open Trench with 3 Conduits Placed

	
Placing Conduit in Open Trench	Placing Warning Tape
	
Warning Tape	Close Up of Warning Tape

Directional Drilling at Cedar Springs	SITE VISIT 4-11-19
	
Directional Drilling at Cedar Springs Lane #1	Directional Drilling at Cedar Springs Lane #2
	
Directional Drilling at Cedar Springs Lane #3	Northern end of project at Cedar Springs Ln. and Blaylock Canyon Rd.

Laying Out Fiber	5-09-2019
	
Blowing Fiber Into Conduit	Fiber Being Installed In Vault
	
Fiber Marker	Laying Out Fiber For Conduit Installation
	
Transition From Underground	Unspooling Fiber From Reel

Fiber Installation and Conduit Repair		Site Visit 5-24-19	
			
B	I	Final	led
			
Slack for Fiber Installation		Conduit Repair	

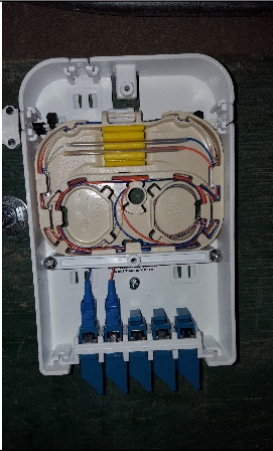
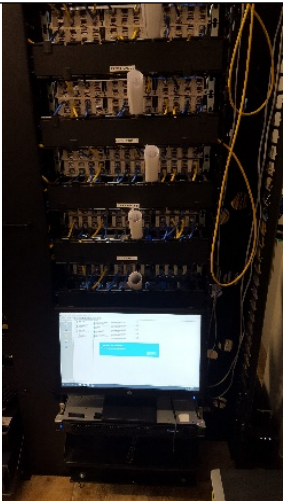
Final Site Walk	07-02-19
	
Figure 1. City Hall Drop	Figure 2. City Hall Drop
	
Figure 3. North Central ESD	Figure 4. North Central ESD
	
Figure 5. North Central ESD	Figure 6. County Courthouse



Figure 7. County Courthouse



Figure 8. County Courthouse



Figure 9. County Courthouse



Figure 10. CBEC Yard 25' Slack



Figure 11. CBEC Vault



Figure 12. Marker for CBEC Spliced Vault



Figure 13. 50 ft. of Slack for Spliced Vault



Figure 14. Vault at Pennington Rd



Figure 15. Splice case at Pennington Vault



Figure 16. Transition Vault with Splice Case



Figure 17. Transition from 144 Count Fiber to 216 Count Fiber

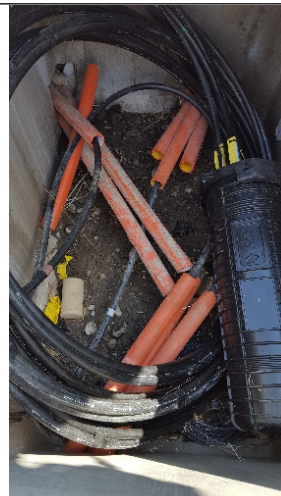


Figure 18. Vault Interior at Cedar Springs

	
Figure 19. Vault at Arlington TV Co-op	



Oregon

Kate Brown, Governor

Liquor Control Commission

PO Box 22297

Portland, OR 97269-2297

(503) 872-5000

(800) 452-6522

JUL - 5 2019

City of Condon
CONDON
PO Box 445
Condon, OR 97823

RENEWAL NOTIFICATION PROCESS

It's time again for liquor license renewals in your area. Liquor licenses are due to expire **9/30/2019**. Attached is the list of licensees who are required to submit their renewal application to local government for comment. According to our records you charge:

\$10.00 Renewal Fee for ON-PREMISES \$10.00 Renewal Fee for OFF-PREMISES

We told applicants to mail your local government fees to the address on this letter.
PLEASE NOTIFY US IMMEDIATELY IF THE FEE(S) OR ADDRESS ARE INCORRECT

HOW TO MAKE A RECOMMENDATION

You have until **9/4/2019** to make your recommendation. Below are your options for renewals:

RECOMMEND APPROVAL

1. **DO NOTHING.** If you do not submit a recommendation by **9/4/2019**, the OLCC will process the renewal application as a favorable recommendation.

RECOMMEND DENIAL (see additional information on page 2)

1. File an unfavorable recommendation, stating the grounds for the unfavorable (must meet the denial criteria on back of form); **OR**
2. Make a written request for additional time to complete an investigation. The request must state: 1) you are considering making an unfavorable recommendation; 2) the specific grounds being considered. **The grounds must be one referenced in Oregon Administrative Rule 845-005-0308(3).** If your request is granted you will be given a 45-day extension to file your unfavorable recommendation. Unfavorable means recommending denial of a license or requesting restrictions be placed on a license.

If you need assistance or would like to discuss a specific application, please contact your local OLCC office for help. Please send renewal recommendation correspondence to OLCC.Renewals@oregon.gov or OLCC License Renewals, P.O. Box 22297, Portland, OR 97269-2297. If you have questions, contact our license renewal section at 503.872.5138 or toll free at 1.800.452.6522 ext 25138.



REASONS WE MAY DENY OR RESTRICT A LICENSE
ORS 471.313(4)(5), OAR 845-005-0320, 845-005-0321, 845-005-0322
845-005-0325, 845-005-0326(4)(5) or 845-005-0355

The following is a list of problems relating to the **APPLICANT** or **BUSINESS** that OLCC can consider to refuse or restrict a license:

1. Applicant has a habit of using alcohol or drugs to excess
2. Applicant makes a false statement to OLCC (must be related to a refusal basis)
3. Applicant has been convicted of local, state or federal laws that are substantially related to the fitness of holding a liquor license
4. Applicant has demonstrated poor moral character
5. Applicant has a poor record of compliance when previously licensed by OLCC
6. Applicant is not the legitimate owner of the business
7. The business has a history of serious and persistent problems at this location. The problems can include:

obtrusive or excessive noise, music or sound vibrations
public drunkenness
fights or altercations
harassment
unlawful drug sales
alcohol or related litter

OLCC is not able to consider the following issues when deciding to renew a liquor license:

lack of parking
increase in traffic
too many licenses in a specific area (saturation)
entertainment type - nude dancing, gambling, live bands, etc.
increased noise
zoning issues

Visit www.oregon.gov/olcc/ to see the full text of ORS and OAR referenced above. In order for an unfavorable recommendation from a local government to be valid, the grounds must be found in the license refusal bases of ORS 471.313(4), 471.313(5), OAR 845-005-0320, 845-005-0321, 845-005-0322, 845-005-0325 or 845-005-0326(4)(5) or the license restriction bases of OAR 845-005-0355, and must be supported by reliable factual information.

<u>License No./ Premises No.</u>	<u>Tradename/Licensee/License Type</u>	<u>Premises Address & Phone</u>	<u>Premises Mailing Address</u>
Lic. 279674 Prem. 40191	CONDON FOOD MART HATTENHAUER DISTRIBUTING CO O - OFF-PREMISES SALES	205 E WALNUT CONDON, OR 97823 541-384-2646	PO BOX 1397 THE DALLES, OR 97058
Lic. 281405 Prem. 6567	ELKS LODGE #1869 CONDON ELKS LODGE #1869 CONDON F-CLU - FULL ON-PREMISES SALES	117 S MAIN ST CONDON, OR 97823 541-980-1689	PO BOX 123 CONDON, OR 97823
Lic. 286855 Prem. 35881	HISTORIC HOTEL CONDON / LORI'S PL NEW HOTEL CONDON LLC F-COM - FULL ON-PREMISES SALES	202 S MAIN CONDON, OR 97823 541-384-4624	4901 NW CAMAS MEADOWS I CAMAS, WA 98607
Lic. 279811 Prem. 39876	MURRAY'S CONDON PHARMACY MURRAY'S DRUG INC O - OFF-PREMISES SALES	225 S MAIN CONDON, OR 97823 541-384-2801	PO BOX 725 CONDON, OR 97823
Lic. 283345 Prem. 49510	THE CONDON ROUND-UP THE CONDON ROUND-UP LLC F-COM - FULL ON-PREMISES SALES	209 S MAIN ST CONDON, OR 97823 541-384-5100	PO BOX 381 CONDON, OR 97823
Lic. 283346 Prem. 49510	THE CONDON ROUND-UP THE CONDON ROUND-UP LLC O - OFF-PREMISES SALES	209 S MAIN ST CONDON, OR 97823 541-384-5100	PO BOX 381 CONDON, OR 97823
Lic. 280305 Prem. 12404	TWO BOYS MEAT & GROCERIES TWO BOYS MEAT & GROCERIES INC O - OFF-PREMISES SALES	301 S MAIN ST CONDON, OR 97823 541-384-2371	PO BOX 747 CONDON, OR 97823

Count for CONDON

7

COMMERCIAL LEASE

Date: _____, 2019

Between: THE CITY OF CONDON ("LESSOR")
128 S. Main Street
Condon, OR

And: GILLIAM COUNTY ("LESSEE")
221 S. Oregon St.
Condon, OR 97823

Lessor is the owner of a _____ square foot building located at _____ Ward Street, Condon, Oregon. Lessor desires to lease to Lessee and Lessee desires to lease from Lessor the building located at _____ Ward Street, Condon, Oregon (hereinafter "the Building"). Now therefore the parties agree as follows:

Section 1. Occupancy

1.1 Original Term. The term of this lease shall tentatively commence _____ 2019, and continue through _____, 20____, unless sooner terminated as hereinafter provided. The parties acknowledge the dates to be flexible and the lease will commence upon 30 days' notice from the Lessee to the Lessor.

The Lessee has the option to extend the Term of this Lease for [number] additional period[s] of [_____] by delivering to the Lessor, no later than [*specific date or period of time before expiration of the Term*] and no earlier than [*specific date or period of time before expiration of the Term*], written notice of the Lessee's election to extend the Term. If the Lessee exercises such option in accordance with this section, this Lease will continue on the same terms during any such extended Term [except with respect to rent, which will be _____ / except with respect to rent, which will be agreed upon by the Landlord and the Tenant after the Tenant's notice of its election to extend the Term and before commencement of the extension]. [If the Landlord and the Tenant are unable to agree on the rent for the extension Term before its commencement, either the Landlord or the Tenant may terminate the Lease.]

1.2 Possession. Lessee's right to possession and obligations under the lease shall commence on _____, 2019 unless otherwise agreed, or on such later date as the Building is available for possession by Lessee if possession is not given on the opening day of the term. Lessor shall have no liability for delays in delivery of possession and Lessee will not have the right to terminate this lease because of delay in delivery of possession except as hereinafter provided.

Section 2. Rent

Rent shall be \$500/\$1,000 per month. The first payment shall be made on _____, 20____, or the date the parties agree this Lease begins, and continue on the first day of each subsequent month for the duration of the Lease. Any payment received later than the 10th day of the month will be deemed late.

Lessor and Lessee agree that Lessee will make improvements to the Building as set out in Section 4.1 below. Lessee will be given a credit of \$_____, for improvements made. Said credit shall be applied to the monthly rent in the amount stated above until credited in full on _____date. Once the credit has been applied, rent will be paid by Lessee in accordance with the above terms.

Section 3. Use of the Building

3.1 The Lessee shall use the building to _____

_____.

3.2 Hazardous Substances. Lessee shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the Building. 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 practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled, or stored on the Building. On the expiration or termination of this Lease, Lessee shall remove all Hazardous Substances from the Building. The term *Environmental Law* shall mean any federal, state, or local statute, regulation, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety, or the environment. The term *Hazardous Substance* shall mean any hazardous, toxic, infectious, or radioactive substance, waste, and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions.

3.3 Compliance with Laws. Both parties will give prompt notice to the other of any notice it receives of the violation of any law or requirement of any public authority with respect to the Building or the use or occupancy thereof. Lessee will, at Lessee's expense, comply with all laws and requirements of any public authorities ("Laws") that, in respect of the Building or the use and occupancy thereof, or the abatement of any nuisance in, on, or about the Building, impose any violation, order, or duty on Lessor or Lessee, arising from (a) Lessee's use of the Building; (b) the manner of conduct of Lessee's business or operation of its installations, equipment, or other property therein; (c) any cause or condition created by or at the instance of Lessee; or (d) breach of any of Lessee's obligations hereunder.

3.3.1 ADA Compliance. Lessor and Lessee acknowledge that the provisions of the Americans with Disabilities Act (the "ADA") allow allocation of responsibility for compliance with the terms and conditions of the ADA in this Lease.

Responsibility for compliance with the ADA is allocated as set forth in this section 3.3.1. Lessee is responsible for compliance with the applicable provisions of the ADA with respect to all improvements within the Building, except that Lessor represents that any improvements designed by Lessor's representative and installed by Lessor or its contractors under this Lease will conform to the requirements of the ADA Standards for Accessible Design in effect as of the date of substantial completion of the work. Lessor is responsible for compliance with the provisions of Title III of the ADA with respect to the exterior of the Building and the Land including sidewalks and walkways and the like, together with all entrances, lobbies, elevators, common restrooms, and the other common areas of the Building. Neither Lessor nor Lessee is obligated to supervise, monitor, or otherwise review the compliance activities of the other. References in this Lease to "Laws" are deemed to include the ADA.

3.3.2 Indemnity Regarding Legal Violations. Lessee will indemnify and hold harmless Lessor, and its and their respective partners, directors, officers, agents, and employees from and against any and all claims arising from or in connection with the violation of Laws including but not limited to the ADA and Environmental Laws, occurring in, at, or about the Building and the Land due to the acts or omissions of Lessee or its partners, directors, officers, agents, and employees, together with all costs, expenses, and liabilities incurred or in connection with each such claim, action, proceeding, or appeal, including, without limitation, all attorney fees and expenses. Lessor will indemnify and hold harmless Lessee and its partners, directors, officers, agents, and employees from and against any and all claims arising from or in connection with the violation of Laws, including but not limited to the ADA and Environmental Laws, occurring in, at, or about the Building and the Land due to the acts or omissions of Lessor or its partners, directors, officers, agents, and employees, together with all costs, expenses, and liabilities incurred or in connection with each such claim, action, proceeding, or appeal, including, without limitation, all attorney fees and expenses.

Section 4. Repairs and Maintenance

4.1 Lessee Obligation. Lessee Agrees to make the following improvements:

- 4.1.1 Replace the two doors for ingress and egress to the building including new key pad locks and door jams;
- 4.1.2 Install a _____ (dimensions) concrete pad on the northside of the building replacing what is currently a dirt floor;
- 4.1.3 Install two rolling garage doors;
- 4.1.4 Remodel bathroom and office area and bring up to code and ADA compliance.
- 4.1.5 provide internet to the building along with updated utilities.

Lessee must provide to Lessor the budget and costs for the above items prior to the commencement of this lease in order to establish a credit as set out in Section 2 above.

Lessee must maintain and repair the Building and the Improvements as and when needed so as to keep them in a clean and attractive condition, and in good condition and repair, throughout the term of the Lease. Lessee's obligations extend to both structural and nonstructural items and to all maintenance, repair, and replacement work.

4.2 Lessor Obligation. Lessor is not required to furnish to Lessee, the Building, or the Improvements any facilities, utilities, or services of any kind whatsoever for the duration of the Lease, such as, but not limited to, water, sanitary sewer, storm sewer, gas, electric, telephone, cable, garbage pickup, or any other utilities or services used by Lessee. Landlord is not required to make any alterations, rebuildings, replacements, changes, additions, improvements, or repairs to any portion of the Building or the Improvements for the duration of the Lease.

4.3 Inspection of Building. Lessor shall have the right to inspect the Building at any reasonable time or times to determine the necessity of repair. Whether or not such inspection is made, the duty of Lessor to make repairs shall not mature until a reasonable time after Lessor has received from Lessee written notice of the repairs that are required.

Section 5. Alterations

5.1 Alterations Prohibited. Lessee shall make no improvements or alterations on the Building of any kind without first obtaining Lessor's written consent apart from those alterations as stated in Section 4.1. All alterations shall be made in a good and workmanlike manner, and in compliance with applicable laws and building codes. As used herein, "alterations" includes the installation of computer and telecommunications wiring, cables, and conduit.

5.2 Ownership and Removal of Alterations. All improvements and alterations performed on the Building by either Lessor or Lessee shall be the property of Lessor when installed unless the applicable Lessor's consent or work sheet specifically provides otherwise. Improvements and alterations installed by Lessee shall, at Lessor's option, be removed by Lessee and the Building restored unless the applicable Lessor's consent or work sheet specifically provides otherwise.

Section 6. Insurance

6.1 Insurance Required. Each party agrees to maintain insurance levels, or self-insurance in accordance with ORS 30.282, for the duration of this Agreement, at levels necessary to protect against public body liability as specified in ORS 30.270. This Agreement is expressly subject to the tort limits and provisions of the Oregon Tort Claims Act (ORS 30.260 to 30.300).

Section 7. Taxes; Utilities

7.1 Property Taxes. Lessee shall pay as due all taxes on its personal property located in the Building. Lessor shall pay as due all real property taxes and special

assessments levied against the Building. As used herein, real property taxes include any fee or charge relating to the ownership, use, or rental of the Building, other than taxes on the net income of Lessor or Lessee.

7.2 Payment of Utilities Charges. Lessee shall pay when due all charges for services and utilities incurred in connection with the use, occupancy, operation, and maintenance of the Building, including (but not limited to) charges for fuel, water, gas, electricity, sewage disposal, power, refrigeration, air conditioning, telephone, and janitorial services.

Section 8. Damage

In case of Major Damage, Lessor or Lessee may elect to terminate this Lease by notice in writing to the other party within 30 days after the date of the Major Damage. "Major Damage" means damage by fire or other casualty to the Building or the Building (a) that causes the Building or any substantial portion of the Building to be unusable, (b) the repair of which will cost more than 25 percent of the replacement value of the Building, or (c) that is not required under this Lease to be covered by insurance. If neither Lessor nor Lessee terminates this Lease after any Major Damage, or if damage occurs to the Building or Building that is not Major Damage, Lessor will promptly restore the Building to the condition existing immediately before the damage, and this Lease will continue in full force and effect. In the event of any damage to the Building or Building from a fire or other casualty, Lessee will promptly repair and restore all Lessee improvements or alterations installed or paid for by Lessee or pay the cost of the restoration to Lessor if Lessor performs the restoration. If the Building are damaged by any casualty, Rent will be reduced in proportion to the unusable portion of the Building from the date of damage until the date restoration work to the Building is substantially complete.

Section 9. Indemnity

Subject to the limitations of liability for public bodies set forth in the Oregon Tort Claims Act, ORS 30.260 to 30.300, and the Oregon Constitution, each party agrees to hold harmless, defend, and indemnify each other, including its officers, agents, and employees, against all claims, demands, actions and suits (including all attorney's fees and costs) arising from the performance of this Agreement where the loss or claim is attributable to the negligent acts or omissions of that party.

Section 10. Estoppel

Either party will, within 10 days after notice from the other, execute and deliver to the other party a certificate stating whether or not this lease has been modified and is in full force and effect and specifying any modifications or alleged breaches by the other party. The certificate shall also state the amount of monthly base rent, the dates to which rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the specified time shall be conclusive on the party

from whom the certificate was requested that the lease is in full force and effect and has not been modified except as represented in the notice requesting the certificate.

Section 11. Assignment and Subletting

Lessee will not assign, transfer, or encumber its interest under this Lease or sublet all or any portion of the Building without having first obtained Lessor's written consent except. Lessor's consent will not be unreasonably withheld, conditioned, or delayed.

Section 12. Default

The following shall be events of default:

12.1 Default under Section 2. Failure of Lessee to pay rent as required under Section 2.

12.2 Default in Other Covenants. Failure of Lessee to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within 30 days after written notice by Lessor specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 30-day period, this provision shall be complied with if Lessee begins correction of the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

12.3 Abandonment. Failure of Lessee for 20 days or more to occupy the Building for one or more of the purposes permitted under this lease, unless such failure is excused under other provisions of this lease.

12.4 Assignment or subletting by Lessee in violation of Section 11.

Section 13. Remedies on Default

13.1 Termination. Lessor may terminate this Lease, reserving all rights to damages resulting from Lessee's breach. Whether or not Lessor terminates this Lease, Lessor may retake possession of the Building by any legal means including self-help, and any relet or use of the Building by Lessor will not be deemed a surrender or waiver of Lessor's right to damages. If Lessor retakes possession of the Building, Lessor's mitigation efforts will be deemed sufficient if Lessor follows standard procedures otherwise used by Lessor for locating Lessees for the Building and otherwise complies with Law. If Lessor retakes possession, Lessor agrees to allow Lessee to remove Lessee's property and allow 20 days to do so. Lessor further agrees to make no claim of interest or ownership in any of Lessee's property stored in the Building.

13.2 Reletting. Following reentry or abandonment, Lessor may relet the Building and in that connection may make any suitable alterations or refurbish the Building, or both, or change the character or use of the Building, but Lessor shall not be required to relet for

any use or purpose other than that specified in the lease or which Lessor may reasonably consider injurious to the Building, or to any Lessee that Lessor may reasonably consider objectionable. Lessor may relet all or part of the Building, alone or in conjunction with other properties, for a term longer or shorter than the term of this lease, on any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

13.3 Damages. In the event of termination or retaking of possession following default, Lessor shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the lease term, the following amounts as damages:

(1) The reasonable costs of reentry and reletting including without limitation the cost of any cleanup, refurbishing, removal of Lessee's property and fixtures, costs incurred under Section 13.5, or any other expense occasioned by Lessee's default including but not limited to, any remodeling or repair costs.

(2) Any excess of the value of the rent and all of Lessee's other obligations under this lease over the reasonable expected return from the Building for the period commencing on the earlier of the date of trial or the date the Building are relet and continuing through the end of the term.

13.4 Lessor's Right to Cure Defaults. If Lessee fails to perform any obligation under this lease, Lessor shall have the option to do so after 30 days' written notice to Lessee. All of Lessor's expenditures to correct the default shall be reimbursed by Lessee on demand. Such action by Lessor shall not waive any other remedies available to Lessor because of the default.

13.5 Remedies Cumulative. The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Lessor under applicable law.

Section 14. Surrender at Expiration

On expiration of the lease term or earlier termination on account of default, Lessee shall deliver all keys to Lessor and surrender the Building in the same condition as received 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 Building are leased shall be excepted but repairs for which Lessee is responsible shall be completed to the latest practical date before such surrender. Lessee's obligations under this section shall be subordinate to the provisions of Section 8 relating to damage and destruction.

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Section 15. Arbitration

15.1 Disputes to Be Arbitrated. If any dispute arises between the parties regarding a matter that this lease says should be arbitrated, or regarding to any other question involving apportionment or valuation, either party may request arbitration and appoint as an arbitrator an independent real estate appraiser having knowledge of valuation of rental properties comparable to the Building. The other party shall also choose an arbitrator with such qualifications, and the two arbitrators shall choose a third. If the choice of the second or third arbitrator is not made within 10 days of the choosing of the prior arbitrator, then either party may apply to the presiding judge of the judicial district where the Building are located to appoint the required arbitrator.

15.2 Procedure for Arbitration. The arbitrator shall proceed according to the Oregon statutes governing arbitration, and the award of the arbitrators shall have the effect therein provided. The arbitration shall take place in the county where the leased Building is located. Costs of the arbitration shall be shared equally by the parties, but each party shall pay its own attorney fees incurred in connection with the arbitration.

Section 16. Miscellaneous

16.1 Nonwaiver. Waiver by either party of strict performance of any provision of this lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision. The acceptance of a late payment of rent shall not waive the failure to perform an obligation under this lease except for the failure to pay the rent so accepted when due and shall not affect Lessor's remedies for failure to perform such other obligations.

16.2 Attorney Fees. If suit or action 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, on petition for review, and on appeal.

16.3 Notices. Any notice required or permitted under this lease shall be given when actually delivered or 48 hours after deposited in United States mail as certified mail addressed to the address first given in this lease or to such other address as may be specified from time to time by either of the parties in writing.

16.4 Succession. Subject to the above-stated limitations on transfer of Lessee's interest, this lease shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

16.5 Recordation. This lease shall not be recorded without the written consent of Lessor.

16.6 Entry for Inspection. Lessor shall have the right to enter on the Building at any time to determine Lessee's compliance with this lease, to make necessary repairs to the building or to the Building, or to show the Building to any prospective Lessee or purchaser,

and in addition shall have the right, at any time during the last two months of the term of this lease, to place and maintain on the Building notices for leasing or selling of the Building.

16.7 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 and in the event of termination for reasons other than default, all prepaid rent shall be refunded to Lessee or paid on its account.

16.8 Time of Essence. Time is of the essence of the performance of each of Lessee's obligations under this lease.

16.9 Amendments. This Agreement may be amended only by an instrument in writing executed by all the parties, which writing must refer to this lease.

16.10 Construction. The captions used in this lease are provided for convenience only and will not affect the meaning or interpretation of any provision of this lease. All references in this lease to "Section" or "Sections" without additional identification refer to the Section or Sections of this lease. All words used in this lease will be construed to be of such gender or number as the circumstances require. Whenever the words "include" or "including" are used in this lease, they will be deemed to be followed by the words "without limitation."

16.11 Governing Law. This lease will be governed by and construed in accordance with the laws of the state of Oregon, without regard to conflict-of-laws principles.

16.12 Severability. If any provision of this lease is deemed to be invalid or unenforceable in any respect for any reason, the validity and enforceability of such provision in any other respect and of the remaining provisions of this lease will not be impaired in any way.

16.13 Counterparts. This lease may be executed in counterparts, each of which will be considered an original and all of which together will constitute one and the same agreement.

16.14 Facsimile Signatures. Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission, will be the same as delivery of an original. At the request of any party, the parties will confirm facsimile transmitted signatures by signing an original document.

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***** SIGNATURES ON FOLLOWING PAGE *****

Lessor:

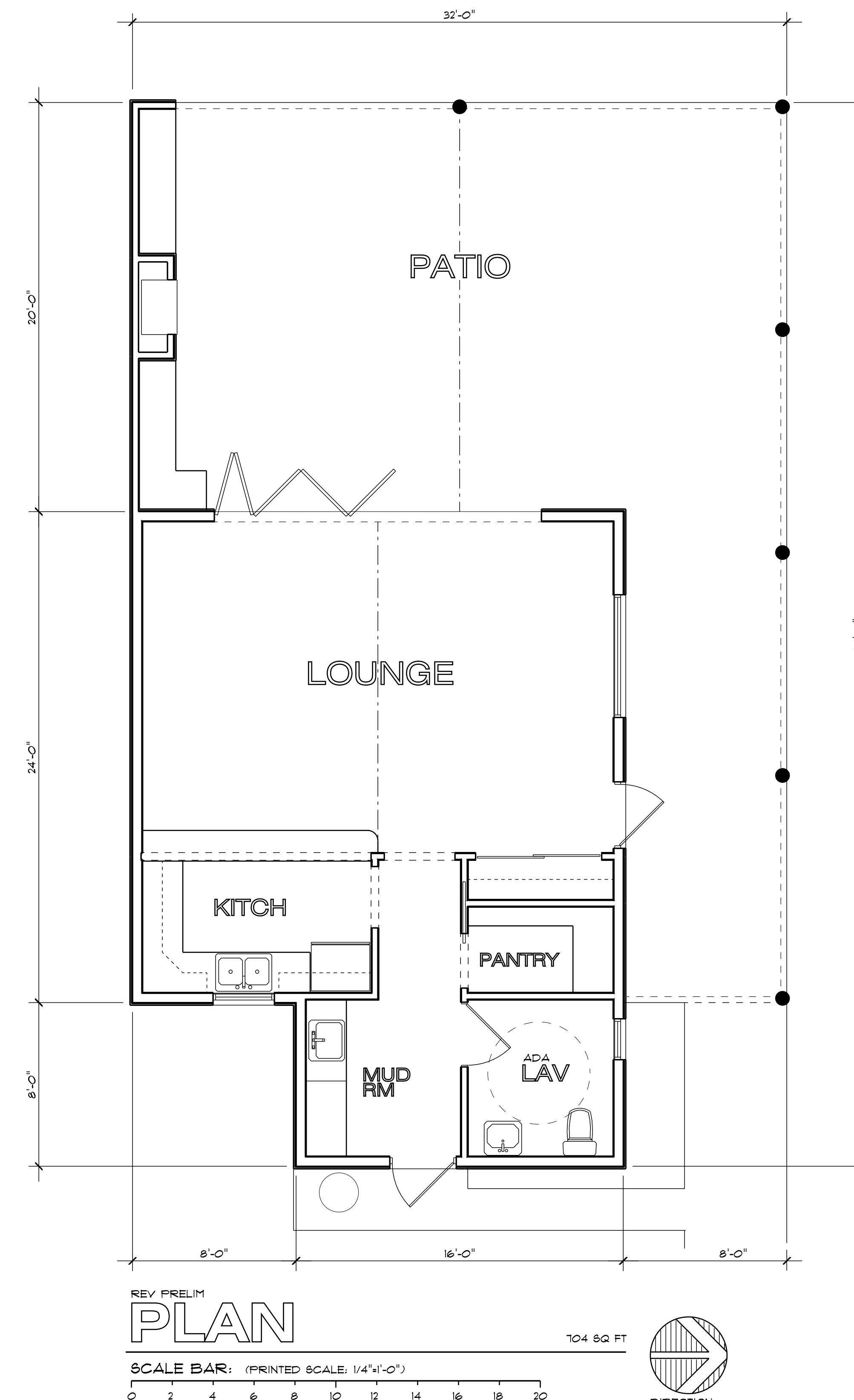
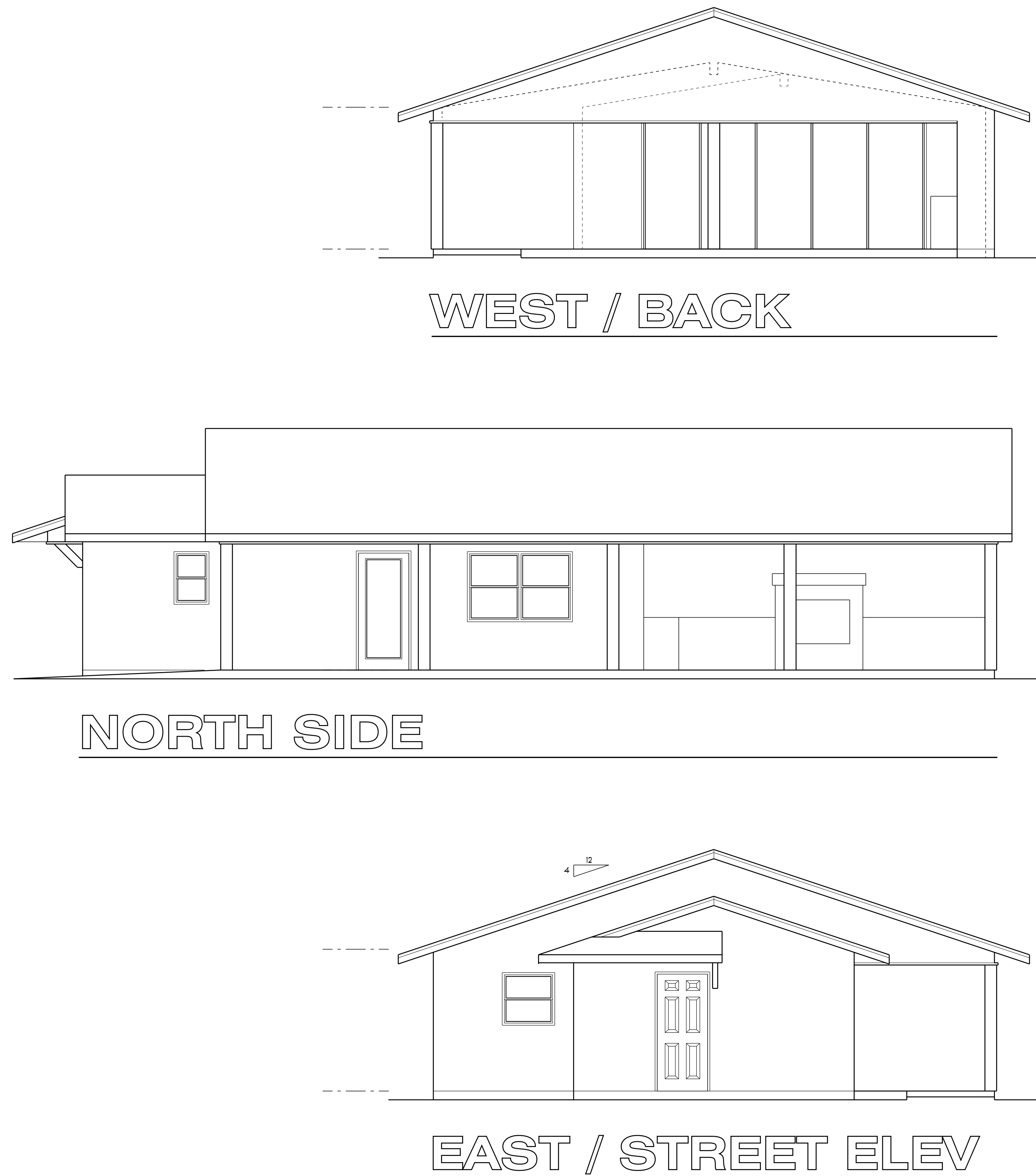
CITY OF CONDON

Lessee:

GILLIAM COUNTY

By: _____
Its: _____

By: _____
Its: _____





Oregon

Kate Brown, Governor

Liquor Control Commission

PO Box 22297

Portland, OR 97269-2297

(503) 872-5000

(800) 452-6522

JUL - 5 2019

City of Condon
CONDON
PO Box 445
Condon, OR 97823

RENEWAL NOTIFICATION PROCESS

It's time again for liquor license renewals in your area. Liquor licenses are due to expire **9/30/2019**. Attached is the list of licensees who are required to submit their renewal application to local government for comment. According to our records you charge:

\$10.00 Renewal Fee for ON-PREMISES \$10.00 Renewal Fee for OFF-PREMISES

We told applicants to mail your local government fees to the address on this letter.
PLEASE NOTIFY US IMMEDIATELY IF THE FEE(S) OR ADDRESS ARE INCORRECT

HOW TO MAKE A RECOMMENDATION

You have until 9/4/2019 to make your recommendation. Below are your options for renewals:

RECOMMEND APPROVAL

1. **DO NOTHING.** If you do not submit a recommendation by **9/4/2019**, the OLCC will process the renewal application as a favorable recommendation.

RECOMMEND DENIAL (see additional information on page 2)

1. File an unfavorable recommendation, stating the grounds for the unfavorable (must meet the denial criteria on back of form); **OR**
2. Make a written request for additional time to complete an investigation. The request must state: 1) you are considering making an unfavorable recommendation; 2) the specific grounds being considered. **The grounds must be one referenced in Oregon Administrative Rule 845-005-0308(3).** If your request is granted you will be given a 45-day extension to file your unfavorable recommendation. Unfavorable means recommending denial of a license or requesting restrictions be placed on a license.

If you need assistance or would like to discuss a specific application, please contact your local OLCC office for help. Please send renewal recommendation correspondence to OLCC.Renewals@oregon.gov or OLCC License Renewals, P.O. Box 22297, Portland, OR 97269-2297. If you have questions, contact our license renewal section at 503.872.5138 or toll free at 1.800.452.6522 ext 25138.



REASONS WE MAY DENY OR RESTRICT A LICENSE
ORS 471.313(4)(5), OAR 845-005-0320, 845-005-0321, 845-005-0322
845-005-0325, 845-005-0326(4)(5) or 845-005-0355

The following is a list of problems relating to the **APPLICANT** or **BUSINESS** that OLCC can consider to refuse or restrict a license:

1. Applicant has a habit of using alcohol or drugs to excess
2. Applicant makes a false statement to OLCC (must be related to a refusal basis)
3. Applicant has been convicted of local, state or federal laws that are substantially related to the fitness of holding a liquor license
4. Applicant has demonstrated poor moral character
5. Applicant has a poor record of compliance when previously licensed by OLCC
6. Applicant is not the legitimate owner of the business
7. The business has a history of serious and persistent problems at this location. The problems can include:

obtrusive or excessive noise, music or sound vibrations
public drunkenness
fights or altercations
harassment
unlawful drug sales
alcohol or related litter

OLCC is not able to consider the following issues when deciding to renew a liquor license:

lack of parking
increase in traffic
too many licenses in a specific area (saturation)
entertainment type - nude dancing, gambling, live bands, etc.
increased noise
zoning issues

Visit www.oregon.gov/olcc/ to see the full text of ORS and OAR referenced above. In order for an unfavorable recommendation from a local government to be valid, the grounds must be found in the license refusal bases of ORS 471.313(4), 471.313(5), OAR 845-005-0320, 845-005-0321, 845-005-0322, 845-005-0325 or 845-005-0326(4)(5) or the license restriction bases of OAR 845-005-0355, and must be supported by reliable factual information.

<u>License No./ Premises No.</u>	<u>Tradename/Licensee/License Type</u>	<u>Premises Address & Phone</u>	<u>Premises Mailing Address</u>
Lic. 279674 Prem. 40191	CONDON FOOD MART HATTENHAUER DISTRIBUTING CO O - OFF-PREMISES SALES	205 E WALNUT CONDON, OR 97823 541-384-2646	PO BOX 1397 THE DALLES, OR 97058
Lic. 281405 Prem. 6567	ELKS LODGE #1869 CONDON ELKS LODGE #1869 CONDON F-CLU - FULL ON-PREMISES SALES	117 S MAIN ST CONDON, OR 97823 541-980-1689	PO BOX 123 CONDON, OR 97823
Lic. 286855 Prem. 35881	HISTORIC HOTEL CONDON / LORI'S PL NEW HOTEL CONDON LLC F-COM - FULL ON-PREMISES SALES	202 S MAIN CONDON, OR 97823 541-384-4624	4901 NW CAMAS MEADOWS I CAMAS, WA 98607
Lic. 279811 Prem. 39876	MURRAY'S CONDON PHARMACY MURRAY'S DRUG INC O - OFF-PREMISES SALES	225 S MAIN CONDON, OR 97823 541-384-2801	PO BOX 725 CONDON, OR 97823
Lic. 283345 Prem. 49510	THE CONDON ROUND-UP THE CONDON ROUND-UP LLC F-COM - FULL ON-PREMISES SALES	209 S MAIN ST CONDON, OR 97823 541-384-5100	PO BOX 381 CONDON, OR 97823
Lic. 283346 Prem. 49510	THE CONDON ROUND-UP THE CONDON ROUND-UP LLC O - OFF-PREMISES SALES	209 S MAIN ST CONDON, OR 97823 541-384-5100	PO BOX 381 CONDON, OR 97823
Lic. 280305 Prem. 12404	TWO BOYS MEAT & GROCERIES TWO BOYS MEAT & GROCERIES INC O - OFF-PREMISES SALES	301 S MAIN ST CONDON, OR 97823 541-384-2371	PO BOX 747 CONDON, OR 97823

Count for CONDON

7

**CITY OF CONDON
AGRICULTURE LEASE
USING RECLAIMED WATER**

THIS Lease Agreement ("Lease") is made and entered into on this day of , 2018, between the CITY OF CONDON, 128 s. Main Street, Codon, Oregon 97823, a municipal corporation (hereinafter "City"), and JOHN W. JOHNSON (hereinafter "TENANT"), P.O. Box , Condon, OR, 97823.

RECITALS

A. Landlord maintains a waste water treatment facility in accordance with a plan approved by the Oregon Department of Environmental Quality (DEQ). The plan permits the controlled disposal of reclaimed water on adjacent agricultural ground owned by Landlord.

B. Landlord and Tenant desire to enter into a lease of the adjacent agricultural ground allowing tenant to use the reclaimed water to grow certain specific crops as defined below.

AGREEMENT

SECTION 1. Description of Leased Property

Landlord leases to Tenant the following described property ("the property") _Ward's Addition all of Blocks 17, 18, 19 & 20; 4S 21E WM Tax Lots 1604 & 1702

A map will be provided of described property.

SECTION 2. Terms of Lease

2.1 The term of this Lease shall commence , 2018 and terminate at midnight on December 31, 2019.

2.2 Automatic Renewal of Lease Term. The parties hereto agree that the term of this lease shall renew itself automatically for additional one (1) year terms, with the first such automatic renewal commencing January 1, 2020 and ending at midnight on December 31, 2020, unless prior to the January 1 which commences a new annual term, either party delivers to the other party a written notice of election not to have this lease renew itself automatically for an additional year. The annual rental payments shall be subject to renegotiation thirty (30) days prior to each January 1 and any changes in the annual rental payment shall be effective for the new annual term beginning on January 1 of that year. It is the intention of the parties to provide a procedure wherein it will not be necessary to re-prepare this lease for each additional one (1) year term if the parties are satisfied to allow the lease to automatically extend itself on a year by year basis as set

forth above. However, nothing in this lease shall be construed to prevent either party from giving the aforesaid written notice to the other party prior to the January 1 anniversary date, that it is the desire of the notifying party to terminate this lease. Also, in the event of election to terminate the annual renewal provisions of this lease by either party, nothing in this lease will prevent the parties from negotiating for additional or different conditions and provisions for a renewal term and, in such event, any such negotiated changes will be reduced to writing and appended to this lease, or the lease will be entirely revised, to be in effect for any future periods of time.

SECTION 3. Consideration

In exchange for the use of the cropland and all harvestable crops from Landlord, Tenant agrees split the yield 60% for Tenant and 40% for Landlord per year no later than November 1 of each calendar year during the term of this lease, with the first annual payment due no later than November 1, 2018. Tenant will provide Landlord with weigh slips on the tonnage as he receives them. Landlord will control all irrigation and other terms that are listed in Section 8. At the end of the term, the Tenant shall return the Property to Landlord in farmable condition.

SECTION 4. Cost of Farming

4.1 Tenant shall be responsible for and pay all the costs of materials, labor, equipment, and other expenses necessary to farm the Property and raise crops from the Property during the lease term.

4.2 Tenant shall pay for all of the chemicals used on farm ground under the irrigation system.

4.3 Tenant shall provide for control of rodents on ground under the irrigation system.

4.4 Tenant shall submit to Landlord a list of all proposed crops to be planted. Prior to application of chemicals to the farm ground, Tenant shall submit to Landlord a list of all proposed fertilizer, pesticides, herbicides and other agricultural chemicals to be applied. Landlord, with the advice of DEQ, may disapprove of any crops, fertilizers, herbicides, pesticides or other agricultural chemicals proposed in the lists submitted by Tenant.

4.5 Landlord retains the right to excavate on the Property to allow soil testing to be done at times and using methods that do not interfere with the farming operations, unless Landlord is mandated by DEQ to do testing at specific times or with specific methods.

SECTION 5. Manner of Farming and Conservation Laws

Tenant shall farm, cultivate, maintain and operate the Property consistent with the best agriculture practices employed by the farming industry in the area where the Property is located, and consistent with all DEQ rules, regulations and directives. The property is to be used to dispose of reclaimed water according to a plan approved by Landlord and DEQ and to maximize crop production. Tenant shall refrain from practices that will cause unusual erosion to the Property. Tenant shall maintain the Property in compliance with all federal, state and other governmental laws, regulations, and directives.

SECTION 6. Chemicals and Fertilizers

It is understood that chemicals and fertilizers may be necessary to produce the highest volume of plant matter on the Property. It is also understood that chemicals and fertilizers can damage the Property if applied incorrectly or contrary to DEQ regulations or on crops that are excluded on the product label. Tenant shall not cause or permit any fertilizers or chemicals to be spilled, leaked, stored, disposed or, otherwise released on or under the Property except in accordance with all applicable state and federal regulations and after obtaining the approval of Landlord.

SECTION 7. Use of Property

7.1 Tenant shall maintain the Property in good condition and shall not commit, permit, or suffer waste to the Property.

7.2 Landlord will maintain all the fences and roads on the Property, except Tenant shall repair any roads or fences damaged by Tenant.

7.3 Landlord shall control the delivery of reclaimed water to the Property.

7.4 During the 2018 crop season, Tenant agrees to only grow barley.

7.5 During the 2019 crop season, Tenant agrees to only grow alfalfa.

SECTION 8. Irrigation

There are approximately 28 acres of irrigated Property and 12 acres of dry land leased hereunder. Landlord shall be responsible for operating and maintaining the irrigation system using reclaimed water from its waste water treatment facility in accordance with a plan approved by DEQ. Landlord assumes no responsibility to Tenant for any water shortage, nor does Landlord warrant the quality or quantity of the water available to the Property. Tenant will pay the cost of repairing or replacing any pipe pumps, pivots, or other irrigation equipment damaged by trucks or farm equipment used by Tenant or Tenant's employees.

SECTION 9. Taxes

Tenant shall pay all the real property taxes levied on the Property and Tenant shall pay all taxes on any Tenant's personal Property used on the Property.

SECTION 10. Liens

Tenant shall pay when due all claims for work done on the Property, and for services rendered or material furnished to Tenant to grow Tenant's crops on the Property or incurred for Tenant's repair responsibilities for the Property and improvements; and Tenant shall keep the Property and the crops free of any liens arising out of the failure to pay such claims or arising out of any other activity of Tenant. If the Property, improvements, or crops are subjected to any lien because of the activities of Tenant, and a lien is not discharged within 10 days, Landlord may discharge the lien, and recover the cost from Tenant on demand, plus interest at the rate of 18% per annum from the date of expenditure. Such action by Landlord shall not constitute a waiver of any right or remedy that Landlord may have on account of Tenant's default.

SECTION 11. Indemnity; Liability Insurance

11.1 Tenant shall indemnify and defend Landlord from any claim, loss, or liability arising out of or relating to any activity of Tenant on the Property, as well as any claims of Tenant, Tenant's employees, assigns or invitees arising from exposure to the reclaimed water used on the Property.

11.2 Tenant will maintain, at Tenant's expense, a farmer's comprehensive personal liability policy, or similar property insurance approved by Landlord, on Tenant's own equipment and property, and public liability coverage with limits of not less than \$1,000,000 for Tenant's operations and activities. Landlord will maintain, at landlord's expense, public liability insurance for unsafe conditions on the premises. Landlord's insurance will be secondary to Tenant's. Landlord and Tenant will each carry workers' compensation insurance on any employees working on the property, through SAIF or other approved carrier. Tenant will furnish Landlord a certificate of insurance naming Landlord as an additional insured with regard to Tenant's liability insurance.

SECTION 12. Default; Remedies

12.1 The following shall be events of default:

(a) Failure to pay the rent when due

(b) Dissolution, termination of existence, insolvency, business failure, discontinuance as a going business (except for labor disputes), appointment of a receiver of any of the Property, assignment for the benefit of creditors, or commencement of any proceedings under any bankruptcy or insolvency laws by or against Tenant.

(c) Failure of Tenant to comply with any other term or condition, or fulfill any other obligation of the lease within 30 days after written notice by Landlord specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 10-day period, this provision shall be complied with if Tenant begins correction of the default within the 10-day period and thereafter proceeds with reasonable diligence and in good faith to affect the remedy as soon as possible.

(d) Abandonment by the Tenant of the Property.

12.2 In the event of default, the Landlords shall have the right to re-enter, take possession of the Property, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages. Such right shall be cumulative and in addition to all other remedies available to the Landlord under applicable law.

SECTION 13. Landlord's Right of Entry

Landlord, and its approved agents may go on the Property at any time to inspect or show the Property, and enters in a reasonable manner that does not harm the growing crops or interfere with Tenant's farming activities. Landlord's Right of entry and access to the fields is to be granted for operating and maintaining the pivot irrigations and irrigation system. The Landlord shall retain the right of access to all fence lines, roads, buffer zones and irrigation equipment.

SECTION 14. Covenants of Title

Landlord covenants the Landlord has full right and authority to lease the Property and will protect Tenant from all other claimants.

SECTION 15. Assignment and Sublease

Tenant may not assign this lease and may not sublease all or any part of the Property.

SECTION 16. Nonwaiver

Failure by either party at any time to require performance by the other of this Lease shall in no way affect that party's right to enforce any Lease provisions; nor shall any waiver

of any breach be held to be a waiver of any succeeding breach or waiver of this nonwaiver clause.

SECTION 17. Notices

Any notice under the Lease shall be in writing and shall be effective when actually delivered or, if mailed, when deposited as registered or certified mail directed to the address stated in this Lease or to such other address as either party may specify by notice to the other party. Payments to the Landlord shall be made to the same address.

SECTION 18. Quitting Property at End of Lease

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

SECTION 19. Attorney Fees

If litigation is instituted arising directly or indirectly out of this Lease, the losing party shall pay to the prevailing party the prevailing party's reasonable attorney fees and court costs as determined by the court, at trial, or any appeal therefrom.

SECTION 20. Representations and Warranties

Tenant accepts the Property, AS IS, without any representation or warranties, express or implied, except as otherwise set forth in this Lease. It is understood and agreed that Landlord makes no guarantee or representation regarding the production or carrying capacity of the Property that Tenant has inspected the Property, and that Tenant has made his or her own determination of the value of the Property.

IN WITNESS THEREOF, the parties have executed this agreement on the day and year first above written.

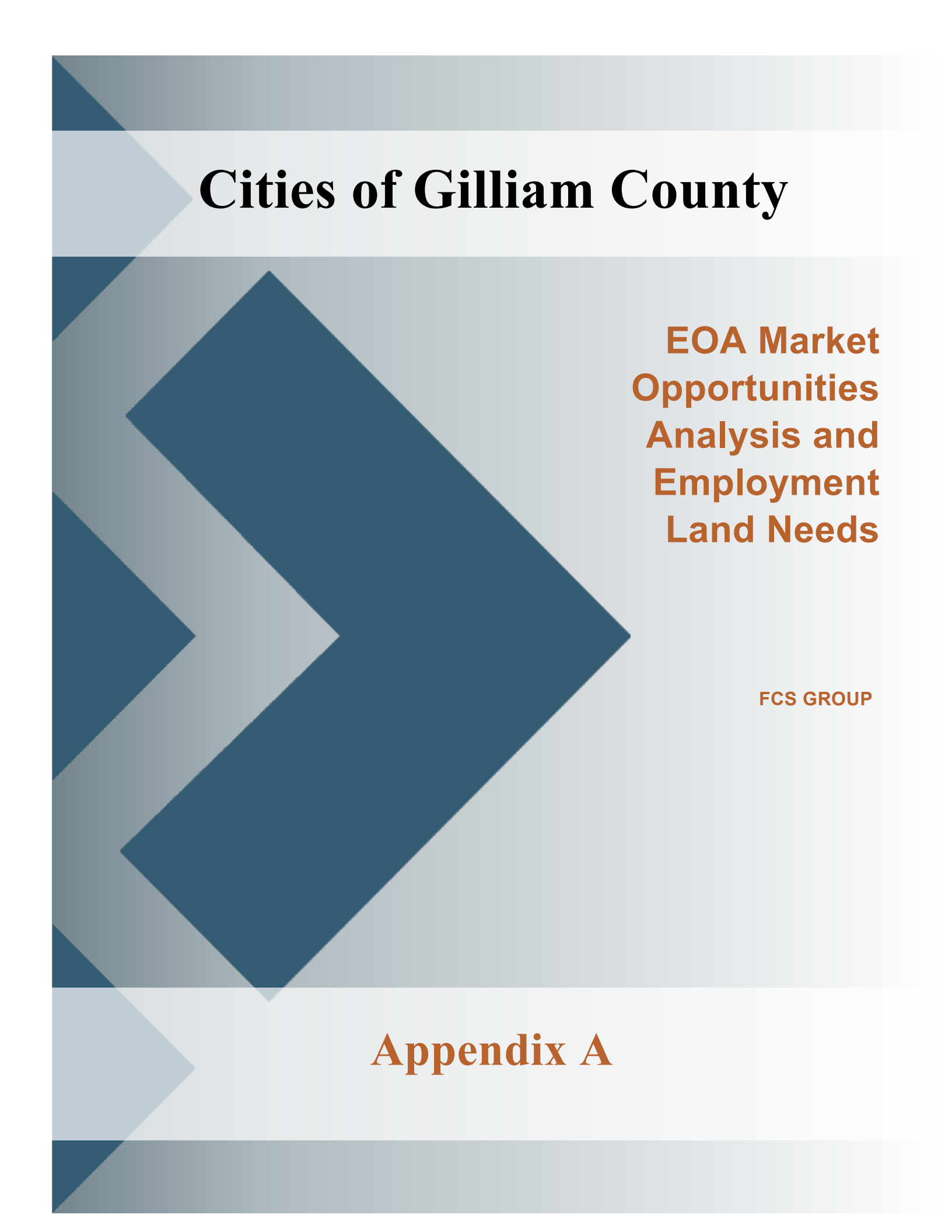
LANDLORD:

TENANT:

City of Condon
by:

Jim Hassing, Mayor

John W. Johnson



Cities of Gilliam County

EOA Market Opportunities Analysis and Employment Land Needs

FCS GROUP

Appendix A

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Section I. SUMMARY

This section includes an analysis of economic trends and local competitive advantages according to prepared employment growth forecasts in accordance with OAR 660-009-0015(1-4). The analysis considers regional economic development objectives to inform the growth forecast.

MARKET REGION

FCS GROUP conducted an economic overview of Gilliam County in context with a large market region and the state of Oregon. Gilliam County is part of the Greater Eastern Oregon Economic Development Corporation region, which consists of most of eastern and southeastern Oregon. However, for analysis purposes of this study, the defined Primary Market Area (PMA) consists of Gilliam, Hood River, Sherman and Wasco Counties in Oregon as well as Klickitat and Skamania Counties in Washington (Exhibit 2). These counties were selected because they share a common labor shed along with access to Interstate 84, the Columbia River as well as Union Pacific and Burlington Northern Santa Fe (BNSF) rail lines.

POPULATION TRENDS

In 2017 the PMA had a total population of 84,840. While the population of other counties in the region have increased, Gilliam County population has held fairly constant at around 1,900 residents. Forecasts from Portland State University's (PSU) Population Research Center (PRC) project positive growth for Gilliam County and the region over the next 25 years.

SOCIO-ECONOMIC CHARACTERISTICS

Income

As with most rural counties, Gilliam County income levels have been well below the state average, but median family income levels appear to be rising. According to U.S. Census estimates, Gilliam County median family income was \$55,625 in 2017 up 0.7% from \$52,885 in 2012.

Education

Gilliam County's economic opportunities are further defined by the educational attainment of its labor force. Most of Gilliam County's residents aged 25 and older have obtained a high school

diploma or equivalent. However, Gilliam County residents were surpassed by the region and state average with regard to the share with college degrees.

Recent analysis of job vacancies indicates that there are many unfilled job opportunities in Gilliam County, particularly in agriculture and construction, which may indicate a tight labor market and possibly the need for additional local workforce (Oregon Employment Department 2017).

Unemployment

Since 2000, Gilliam County's unemployment rates have been slightly below the PMA region but above the statewide average. However by the end of 2018, Gilliam County caught up with the state average with unemployment rates as follows: Oregon at 4.1%, the PMA at 5.7% and Gilliam at 4.1%.

Labor Force

Labor force includes residents aged 16 years and older that are working or actively looking for work. The labor force of the PMA region was 45,345 in 2017. Within Gilliam County, the population ~~has~~ decreased overall between 2000 and 2017; however, the County has experienced significant growth among its American Indian and Alaska Native population (over 500%) as well as the population of Hispanic or Latino residents (over 300%).

Employment

Within the PMA region, most businesses are concentrated within cities along the Columbia River.

According to IMPLAN statistics, in 2016 Gilliam County comprised 3% of the region's total employment. The county is particularly strong within the services sector, which makes up nearly half of its employment. As a share of the PMA, the county's share of industrial employment has ranged from 3% to 4% of the over the past decade.

The leading employment sectors in Gilliam County are depicted in **Exhibit 1**. The top-10 sectors in the county make up 30% of the county's output and 30% of its total employment. The top three sectors include: waste management, government and agriculture (grain farming). By far the leading sector in Gilliam County is waste management, which was responsible for 163 jobs and over \$37.5 million in annual output in 2016.

Exhibit 1: Top-Ten Sectors in Gilliam County

Sorted by Top 10 Sectors	Employment	Output
Waste management and remediation services	163	\$37,510,117
Local govt, non-education	128	\$7,418,082
Grain farming	114	\$15,097,464
Beef cattle ranching and farming	87	\$5,435,499
Local govt, education	53	\$2,886,735
Warehousing and storage	49	\$5,014,889
Wholesale trade	48	\$7,692,873
Professional, scientific, and technical services	42	\$1,206,566
Management of companies and enterprises	26	\$4,645,005
Support activities for agriculture	24	\$1,392,655
Subtotal	734	\$88,299,884
Other	1,720	\$210,044,436
Total	2,453	\$298,344,320

Source: IMPLAN model for Gilliam County, 2016.

Agriculture

Trends observed in the U.S. Census of Agriculture show a slight increase in total number of farms and a negligible loss of farmland between 2007 and 2012 (**Exhibit 17**). Despite this small reduction in farmland, the aggregate value of agriculture products sold from Gilliam County increased nearly 20% during the same time period.

Potential Target Industry Sectors

The Location Quotient analysis for Gilliam County identifies several potential target business clusters, including:

- Value-added Waste Management (largest cluster which includes various solid waste streams)
- Utilities (significant cluster with high LQ could include additional establishments to support renewable energy)
- Wholesale Trade (cluster with high LQ and 11% annual job growth forecast)
- General manufacturing and vehicle/truck maintenance
- Miscellaneous services (emerging LQ cluster expected to support businesses along the Columbia River Gorge freight corridor).

Based on these findings, cities in Gilliam County are best situated to leverage their unique position in the PMA by investing in sectors that have an established presence in the county. Recommended target industries, such as waste management have a very strong presence in the county and hold potential to further economic opportunity with value added services.

Businesses that benefit from interaction across multiple sectors will present significant economic opportunities for cities in Gilliam County. Gilliam County's agriculture industry makes up a large part of its industrial sector. As these industries thrive, opportunities exist to benefit from other sectors, such as services related to the support and maintenance of agriculture production facilities, value-added waste management facilities and related supply chains. Looking forward, cities in Gilliam County could seek to accommodate some or all of the target clusters listed in **Exhibit 20**.

EMPLOYMENT LAND NEEDS

The analysis of employment land needs takes into account the projected level of job growth within the PMA region, and the potential for Gilliam County cities to attract a proportionate share of business activity. The overall findings portend continued positive growth for the region in all major job sectors, with the possible exception of government jobs which tend to be largely driven by federal and state spending patterns as well as local population growth.

Based on historic trends and related economic forecasts discussed previously, FCS GROUP expects overall private job growth within the PMA to approach 9,000 jobs over the next 20 years (high growth scenario).

In accordance with the projections for Gilliam County, the city of Condon should plan to accommodate up to 20 buildable acres for employment over the next 20 years. The recommended mix of land supply should include up to 14 acres for industrial development and up to 6 acres for commercial development as shown below in on Exhibit 20 of Appendix B.

Projected 20-Year Employment Site Requirements: High Growth Scenario

	Industrial Site Requirements	Commercial	
		Site Requirements	Other
Condon	Three 2-acre sites & two 4-acre sites	Flex building(s) on 6 acres	Downtown infill and home-based occupations

Source: derived from prior tables.

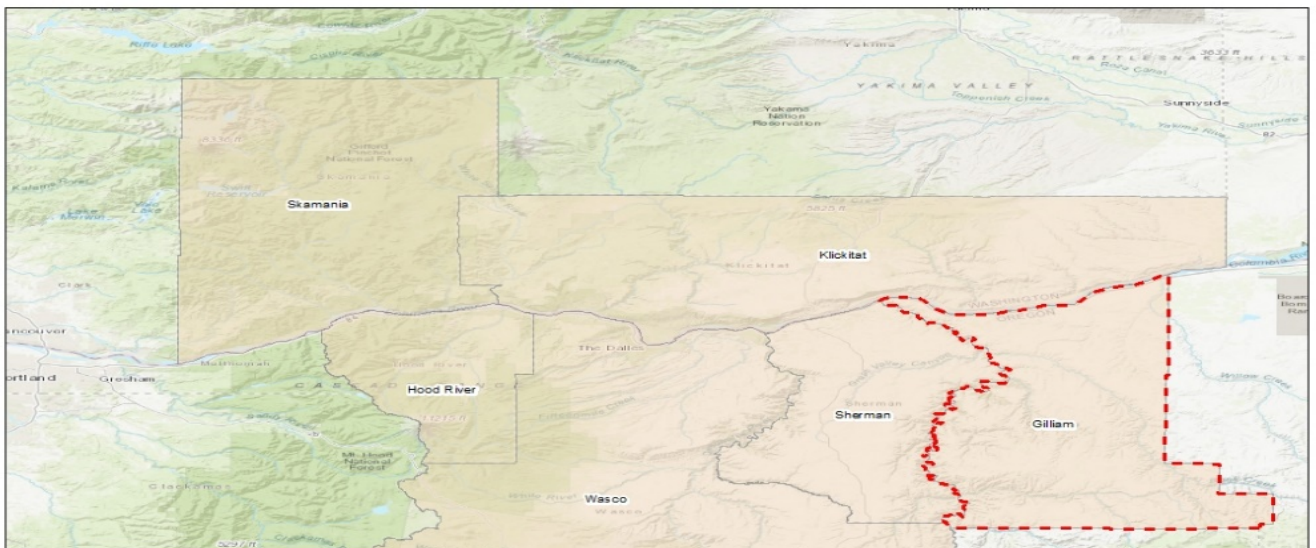
II. MARKET ANALYSIS

This section includes an analysis of economic trends and local competitive advantages according to prepared employment growth forecasts in accordance with OAR 660-009-0015(1-4). The analysis considers regional economic development objectives to inform the growth forecast.

MARKET REGION

FCS GROUP conducted an economic overview of Gilliam County in context with a large market region and the state of Oregon. Gilliam County is part of the Greater Eastern Oregon Economic Development Corporation region, which consists of most of eastern and southeastern Oregon. However, for analysis purposes of this study, the defined Primary Market Area (PMA) consists of Gilliam, Hood River, Sherman and Wasco Counties in Oregon as well as Klickitat and Skamania Counties in Washington (**Exhibit 2**). These counties were selected because they share a common labor shed along with access to Interstate 84, the Columbia River as well as Union Pacific and Burlington Northern Santa Fe (BNSF) rail lines.

Exhibit 2: Gilliam County and the Primary Market Region



POPULATION TRENDS

In 2017 the PMA had a total population of 84,840. Over the last two decades the PMA has experienced significant population growth with variability among the counties of the region. While

the population of other counties in the region have increased, Gilliam County population has held fairly constant at around 1,900 residents (**Exhibit 3**).

Exhibit 3: Population Trends (2000-2017)

	2000	2010	2017	Change (2000 to 2017)	AGR %
Gilliam	1,915	1,871	1,910	-5	0.0%
Condon	759	601	595	-164	-1.4%
Hood River	20,411	22,346	22,938	2,527	0.7%
Klickitat	19,161	20,318	21,172	2,011	0.6%
Sherman	1,934	1,765	1,635	-299	-1.0%
Skamania	9,872	11,066	11,498	1,626	0.9%
Wasco	23,791	25,213	25,687	1,896	0.5%
Primary Market Area	77,084	82,579	84,840	7,756	0.6%
Oregon	3,421,389	3,831,074	3,982,267	560,878	0.9%

Source: US Census Bureau, Decennial Census 2000, 2010 (Table DP-1) and ACS 2017 (Table DP05).

AGR = Annual Growth Rate.

Forecasts from Portland State University's (PSU) Population Research Center (PRC) project positive growth for Gilliam County and the region over the next 25 years (**Exhibit 4**).

Exhibit 4: Population Forecasts (2016-2040)

	2016	2020	2025	2030	2035	2040
Gilliam County	2,010	2,046	2,089	2,129	2,167	2,206
Region (GEODC)	142,977	146,322	150,339	154,256	158,052	161,827
Oregon	3,982,267	4,252,100	4,516,200	4,768,000	4,995,200	5,203,000

Source: Portland State University Population Forecasts and Washington State Government Office of Financial Management.

SOCIO-ECONOMIC CHARACTERISTICS

Income

As with most rural counties, Gilliam County income levels have been well below the state average, but median family income levels appear to be rising. According to U.S. Census estimates, Gilliam County median family income was \$55,625 in 2017 up 0.7% from \$52,885 in 2012 (**Exhibit 5**).

Exhibit 5: Income Trends (2010-2017)

	2010	2017	AGR
Median Household Income			
Gilliam County	\$42,148	\$39,831	-0.8%
Oregon	\$49,260	\$56,119	1.9%
Median Family Income			
Gilliam County	\$52,885	\$55,625	0.7%
Oregon	\$60,402	\$69,031	1.9%
Per Capita Income			
Gilliam County	\$25,559	\$24,178	-0.8%
Oregon	\$26,171	\$30,410	2.2%

Source: 2000 Census (in 1999 dollars) and 2017 ACS 5-year Estimates (in 2017 inflation-adjusted dollars).

AGR = Annual Growth Rate.

Education

Gilliam County's economic opportunities are further defined by the educational attainment of its labor force. The majority of Gilliam County's residents aged 25 and older have obtained a high school diploma or equivalent. However, Gilliam County residents were surpassed by the region and state average with regard to the share with college degrees (**Exhibit 6**).

Exhibit 6: Educational Attainment of Population 25 years and over

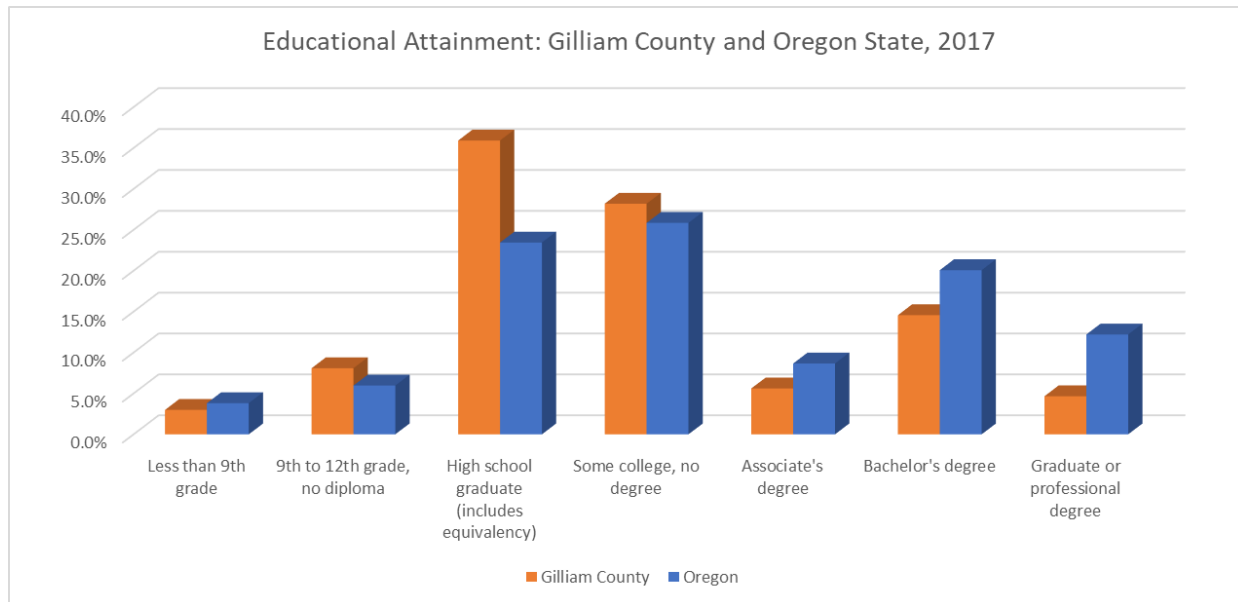
Gilliam County and the State of Oregon, 2017

	Gilliam County	% Dist.	Oregon	% Dist.
Less than 9th grade	41	3.0%	106,711	3.8%
9th to 12th grade, no diploma	111	8.1%	166,982	6.0%
High school graduate (includes equivalency)	493	35.9%	655,921	23.4%
Some college, no degree	387	28.2%	723,165	25.8%
Associate's degree	77	5.6%	242,247	8.7%
Bachelor's degree	200	14.6%	561,492	20.1%
Graduate or professional degree	64	4.7%	341,435	12.2%
Total	1,373	100%	2,797,953	100%

Source: 2017 ACS 5-year Estimates.

Recent analysis of job vacancies indicates that there are many unfilled job opportunities in Gilliam County, particularly in agriculture and construction, which may indicate a tight labor market and possibly the need for additional local workforce (Oregon Employment Department 2017).

Exhibit 7: Educational Attainment (source: American Community Survey)



Racial and Ethnic Composition

Gilliam County's racial and ethnic characteristics also highlights the changing nature of the workforce in the county as well as business needs. Gilliam County's population has decreased overall between 2000 and 2017, however, has experienced growth among its American Indian and Alaska Native population as well as the population of Hispanic or Latino residents (**Exhibit 8**).

Exhibit 8: Racial and Ethnic Composition of Gilliam County and Oregon (2000-2017)

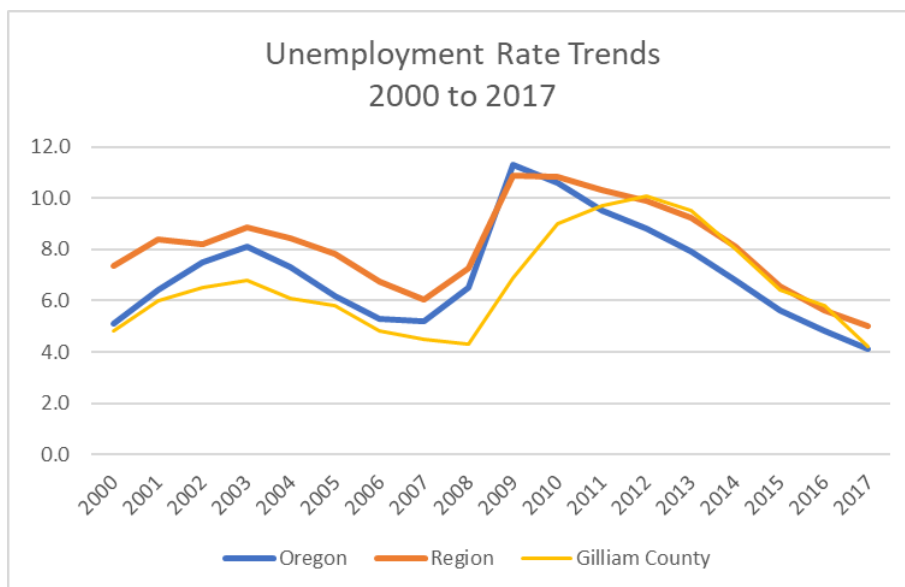
	Gilliam County			Oregon		
	2000	2017	Change	2000	2017	Change
Total:	1,915	1,910	-0.3%	3,421,399	4,025,127	17.6%
White alone	1,853	1,783	-3.8%	2,961,623	3,416,776	15.4%
Black or African American alone	3	-	-100.0%	55,662	76,347	37.2%
American Indian and Alaska Native alone	16	99	518.8%	45,211	45,332	0.3%
Asian alone	3	-	-100.0%	101,350	166,351	64.1%
Native Hawaiian and Other Pacific Islander alone	-	14	N/A	7,976	15,157	90.0%
Some other race alone	22	14	-36.4%	144,832	121,000	-16.5%
Two or more races:	18	-	-100.0%	104,745	184,164	75.8%
Two races including Some other race	1	-	-100.0%	29,929	17,499	-41.5%
Two races excluding Some other race, and three or more r	17	-	-100.0%	74,816	166,665	122.8%
Hispanic or Latino	35	154	340.0%	275,314	509,507	85.1%

Source: 2000 Census (SF1, Table QT-P3) and 2017 ACS 5-year Estimates (Tables B02001 & B03002).

Unemployment

Since 2000, Gilliam County's unemployment rates have been slightly below the PMA region but above the statewide average. However by the end of 2018, Gilliam County caught up with the state average with unemployment rates as follows: Oregon at 4.1%, the PMA at 5.7% and Gilliam at 4.1% (**Exhibit 9**).

Exhibit 9: Oregon, PMA, Gilliam County Unemployment (2000-2017)



Labor Force

Labor force includes residents aged 16 years and older that are working or actively looking for work. The labor force of the PMA region was 45,345 in 2017. The average commute time for workers living in the PMA was 20.6 minutes which compares favorably to most urban areas (**Exhibit 10**).

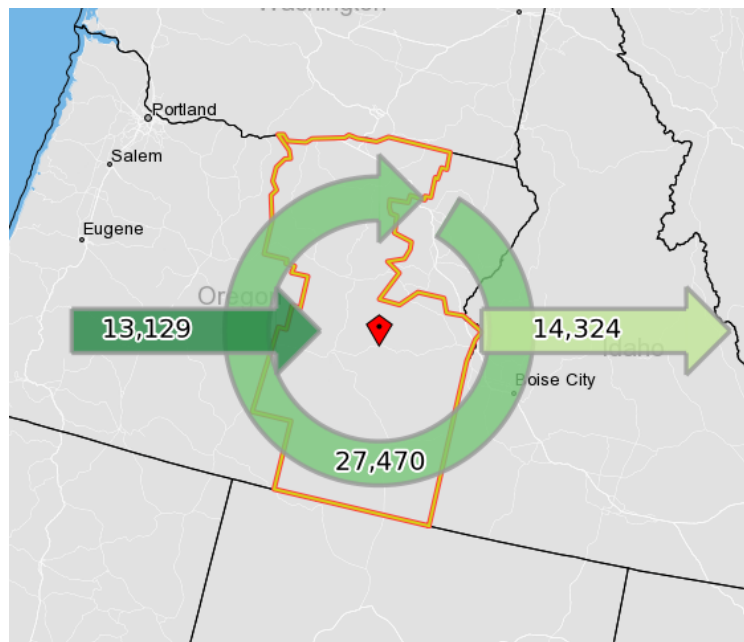
Exhibit 10: PMA Labor Force and Commute Patterns

	Labor Force	Commute Time (in min)	Car or Carpool	Works at Home	Other
Gilliam	865	17.5	82.8%	7.4%	9.8%
Hood River	14,359	17.4	79.5%	11.2%	9.3%
Klickitat	10,051	24.1	82%	12%	6.0%
Skamania	5,218	30.5	84.1%	9.9%	6.0%
Sherman	897	22.3	80.3%	10.8%	8.9%
Wasco	13,955	17.6	85.8%	7.9%	6.3%
Total	45,345	20.6	82.6%	10.1%	7.3%

Source: Bureau of Labor Statistics, 2017 Unemployment Data and US Census Bureau ACS 2017, Table S0801.

In 2015 there were 40,552 workers employed at businesses within the PMA region. About half of these workers lived and worked inside of the PMA region. About one in four workers commuted outside of the PMA to jobs elsewhere. In addition, the PMA region had 8,317 workers commuting in from outside of the area (see **Exhibit 11**).

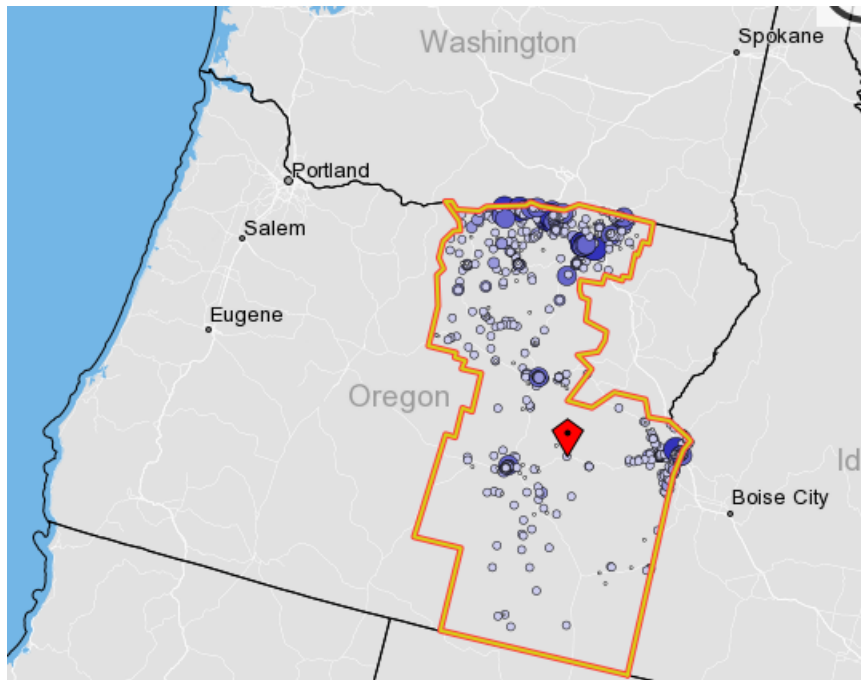
Exhibit 11: Commuter Inflow & Outflow, PMA Region



Employment

Within the PMA region, many businesses are concentrated within cities along the Columbia River (**Exhibit 12**).

Exhibit 12: Job Concentration



According to IMPLAN statistics, in 2016 Gilliam County comprised 3% of the region's total employment. The county is particularly strong within the services sector, which makes up nearly half of its employment. As a share of the PMA, the county's share of industrial employment has ranged from 3% to 4% of the over the past decade.

Exhibit 13: Total Employment, 2016

	PMA Employment	Gilliam County Employment	Gilliam County Share
Industrial (incl. Ag)	10,677	472	4%
Retail	3,793	81	2%
Services	18,117	451	2%
Government	3,925	222	6%
Total	36,512	1,227	3%

Source: IMPLAN model, 2016; includes full-time and part-time jobs.

The leading employment sectors in Gilliam County are depicted in **Exhibit 14**. The top-10 sectors in the county make up 30% of the county's output and 30% of its total employment. The top three sectors include: waste management, government and agriculture (grain farming). By far the leading sector in Gilliam County is waste management, which was responsible for 163 jobs and over \$37.5 million in annual output in 2016.

Exhibit 14: Top-Ten Sectors in Gilliam County

Sorted by Top 10 Sectors	Employment	Output
Waste management and remediation services	163	\$37,510,117
Local govt, non-education	128	\$7,418,082
Grain farming	114	\$15,097,464
Beef cattle ranching and farming	87	\$5,435,499
Local govt, education	53	\$2,886,735
Warehousing and storage	49	\$5,014,889
Wholesale trade	48	\$7,692,873
Professional, scientific, and technical services	42	\$1,206,566
Management of companies and enterprises	26	\$4,645,005
Support activities for agriculture	24	\$1,392,655
Subtotal	734	\$88,299,884
Other	1,720	\$210,044,436
Total	2,453	\$298,344,320

Source: IMPLAN model for Gilliam County, 2016.

Within the PMA region, large employment gains have been made in both industrial and services clusters between 2005 and 2015 (**Exhibit 15**).

Exhibit 15: Job Trends by Industry Sector – PMA Region

Region Jobs by NAICS Industry Sector	2005 - 2015 Job Growth	2005	2015	Change
Industrial		5,575	7,388	1,813
Retail Trade		2,769	2,834	65
Services		10,905	13,483	2,578
Government		1,513	1,422	(91)
Total		20,762	25,127	4,365

Source: US Census Bureau, 2000 to 2015, provided by OnTheMap.com

An analysis of Gilliam County highlights the change in jobs from 2005 to 2015 (**Exhibit 16**).

Exhibit 16: Job Trends by Industry Sector – Gilliam County

Gilliam Jobs by NAICS Industry Sector	2005 - 2015 Job Growth	2005	2015	Change
Industrial		285	237	-48
Retail Trade		42	43	1
Services		226	217	-9
Government		95	96	1
Total		648	593	-55

Source: US Census Bureau, 2000 to 2015, provided by OnTheMap.com

Agriculture

Trends observed in the U.S. Census of Agriculture show a slight increase in total number of farms and a negligible loss of farmland between 2007 and 2012 (**Exhibit 17**). Despite this small reduction in farmland, the aggregate value of agriculture products sold from Gilliam County increased nearly 20% during the same time period.

Exhibit 17: Gilliam County Agricultural Statistics (2007-2012)

	2007	2012	Change
# of Farms	164	170	4%
Land in Farms (acres)	733,387	723,405	-1%
Average Size of Farm (Acres)	4,742	4,255	-5%
Market Value of Products Sold	\$37,048,000	\$44,054,000	19%
Average Per Farm	\$225,902	\$259,141	15%
Government Payments	\$5,327,000	\$7,931,000	49%
Average per farm receiving payments	\$42,616	\$51,836	22%

Source: US Census of Agriculture.

The most recent employment forecast conducted by the Oregon Employment Department (OED) projects robust job growth in the East Cascades Sub-region, which consists of Gilliam, Hood River, Sherman, Wasco and Wheeler counties (**Exhibit 18**).

Exhibit 18: Employment Forecasts for the East Cascades Region (2017-2027)

Sector	2017	2027	Change	Projected Growth
Industrial	9,110	9,980	870	10%
Retail	3,340	3,590	250	7%
Services	18,380	21,060	2,680	15%
Government	4,120	4,300	180	4%
Total	34,950	38,930	3,980	11%

Source: State of Oregon Employment Department, 2018; includes Gilliam, Hood River, Sherman, Wasco and Wheeler counties; FCS GROUP.

Potential Target Industry Sectors

An analysis of location quotients (LQs) was performed to ascertain the relative attractiveness of Gilliam County to certain industries. LQ analysis is a method of determining which business sectors are clustered in Gilliam County in comparison to the PMA region. LQ analysis reveals what makes the local economy “unique” in comparison to a broader geography. The LQ analysis in this study indicates existing and emerging business clusters present in Gilliam County based on their size (as measured by employment) and projected growth potential. The data used for the cluster analyses

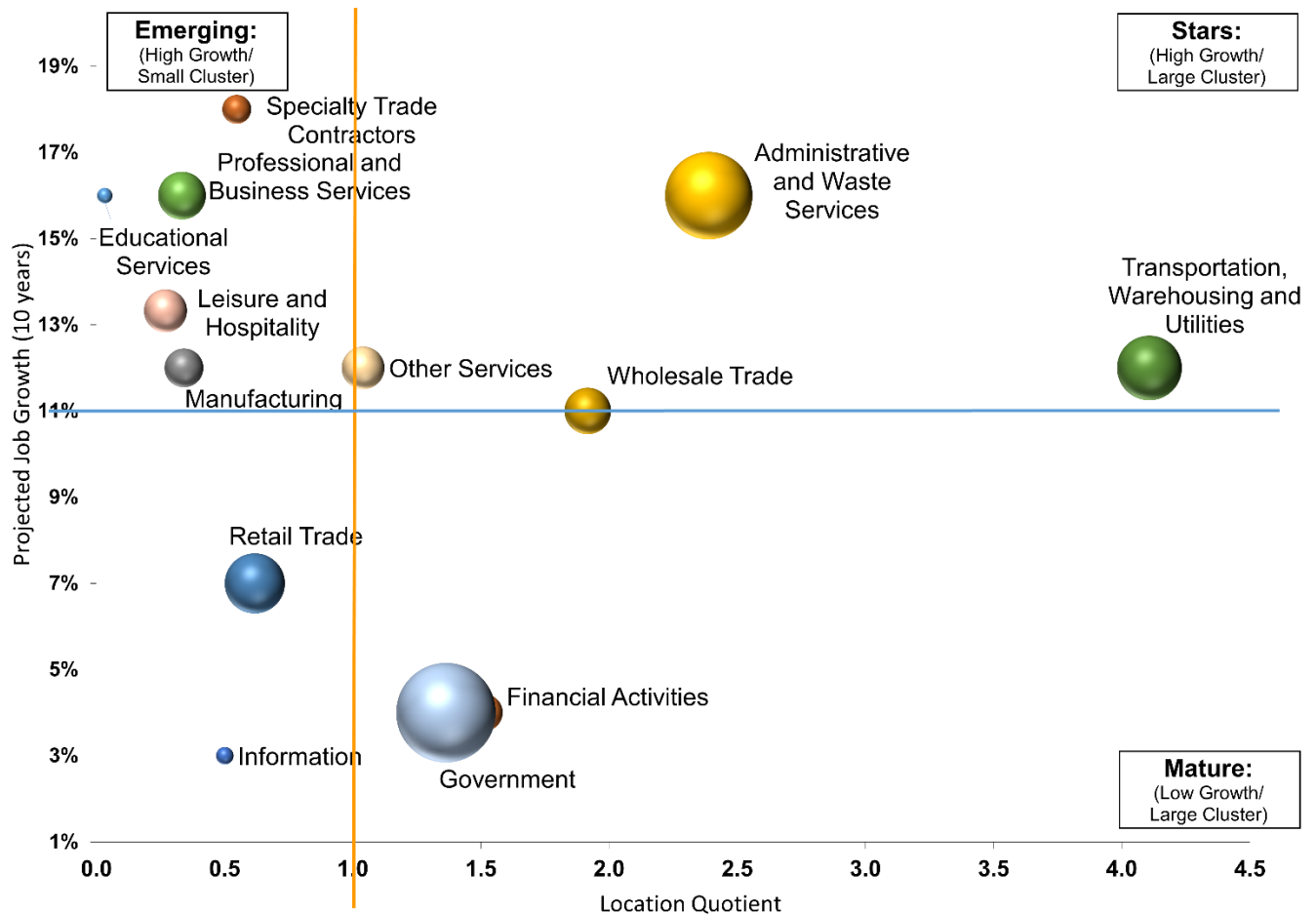
were derived from the Oregon Employment Department 2017 wage and salary employment statistics and ten-year job growth forecasts (**Exhibit 19**).

Business clusters in Gilliam County with high LQs include transportation, warehousing and utilities, as well as wholesale trade and construction. The utilities sector, which includes Gilliam County's sizable wind farms, has an LQ of 6 (six times more concentrated than the regional average).

The LQ analysis for Gilliam County identifies several potential target business clusters, including:

- Value-added Waste Management (largest cluster which includes various solid waste streams)
- Utilities (significant cluster with high LQ could include additional establishments to support renewable energy)
- Wholesale Trade (cluster with high LQ and 11% annual job growth forecast)
- Miscellaneous services (emerging LQ cluster expected to support businesses along the Columbia River Gorge freight corridor).
- Specialty Trade Contractors (potential emerging cluster in Gilliam County which also claims the highest projected annual job increases)

Exhibit 19: Location Quotient Analysis – Gilliam County



Based on these findings, cities in Gilliam County are best situated to leverage their unique position in the PMA by investing in sectors that have an established presence in the county. Recommended target industries, such as agriculture and waste management have a very strong presence in the county and hold potential to further economic opportunity with value added services. Of the industries discussed throughout this analysis those highlighted in **Exhibit 20** represent excellent opportunities for growth for the cities of Gilliam County.

As mentioned earlier, businesses that benefit from interaction across multiple sectors will present significant economic opportunities for cities in Gilliam County. Gilliam County's agriculture industry makes up a large part of its industrial sector. As these industries thrive, opportunities exist to benefit from other sectors, such as services related to the support and maintenance of agriculture production facilities, value-added waste management facilities and related supply chains. Looking forward, cities in Gilliam County could seek to accommodate some or all of the target clusters listed below.

Exhibit 20: Target Employment Clusters

Target Use	Market Potential	Relative Wage Rates	Potential Job Creation	Recommended Target Industry for Cities for Gilliam County
General manufacturing and vehicle maintenance				☒
Value-added Agriculture Mfg.				☒
Renewable Energy				☒
Waste By Products				☒
Tourism & Recreation				☒
Home Based Businesses				☒
Legend:				
Good:  Fair:  Poor: 				

Source: FCS GROUP based on EOA findings.

III. CITY PROFILES & SITE REQUIREMENTS

In addition to information provided above, FCS GROUP undertook individual analysis of each of the major cities of Gilliam County. In order to determine the relative market strength of each city, FCS GROUP compiled information relating to infrastructure, existing employment, history, demographics, and geographic location. Using these datapoints in concert with the larger regional trends discussed previously, recommended target industries for each city are identified below along with distinguishing information which impacted the recommendations.

EMPLOYMENT LAND NEEDS

The analysis of employment land needs takes into account the projected level of job growth within the PMA region, and the potential for Gilliam County cities to attract a proportionate share of business activity. The overall findings portend continued positive growth for the region in all major job sectors, with the possible exception of government jobs which tend to be largely driven by federal and state spending patterns as well as local population growth.

Based on historic trends and related economic forecasts discussed previously, FCS GROUP expects overall private job growth within the PMA to approach 9,000 jobs over the next 20 years (high growth scenario). As indicated in **Exhibit 20**, it is anticipated that the most significant increase will be in the service sector (includes business, personal, health care and hospitality industries) with 5,156 net new jobs expected. The industrial and agricultural sectors are expected to add 3,626 jobs, and the retail sector is expected to add only 150 net new jobs, as much traditional retail is replaced by on-line non-store sales. It should be noted that these estimates exclude home-based workers, which would not require employment-zoned land.

Using population as a basis for forecasting Gilliam County's capture of commercial and service job growth, and historic industrial job growth over the past 10 years as a basis for forecasting future industrial job growth, FCS GROUP determined future job growth potential for Gilliam County for two primary categories:

- Industrial and Agriculture-related employment
- Commercial/Service employment

A range of low and high job growth capture rates have been prepared in order to determine the lower and upper-bound of projected land needs. Local city job growth forecasts assume a "fair share" allocation that takes into account current population/employment capture rates and relative market strength in attracting business investment. As indicated in **Exhibit 21**, the expected net new job

growth for Gilliam County over the next 20 years equates to 490 private-sector jobs under the high forecast scenario. Projected job growth for the City of Condon includes 215 jobs over the next 20 years. Again, most of these jobs are expected to be within the industrial, agricultural and service sectors.

Using industry standards for estimated land needs based on job growth, this level of job growth is expected to require industrial and commercial zoned sites within each city as depicted in **Exhibit 21**. The employment site requirements under the high-growth scenario for each city is shown below.

Exhibit 21: 20-Year Employment and Land Needs Forecast

	Pop	% share of PMA Region	Low Scenario	High Scenario	Notes
Gilliam County	1,910	2%			
Commercial & Service capture			2%	4%	based on emp.
Industrial & Ag capture rates			4%	6%	based on emp.
Local Cities		% share of County Pop.	Low Scenario	High Scenario	
Condon	595	31%	31%	50%	based on pop.
PMA Region	84,840				

Source: Derived from prior tables

Projected 20-year Employment Growth, High Scenario

	Industrial & Ag.	Retail	Services	Total
PMA Region	3,626	150	5,156	8,932
Gilliam County	218	6	206	430
Local Cities				
Condon	109	3	103	215

Source: Derived from prior tables

Projected Employment Land Needs (buildable acres)

	Industrial & Ag.	Retail	Services	Total
Jobs Per Acre	8	16	16	
Acres Required				
Condon	14	0.2	6	20

Source: derived from prior tables.

Projected 20-Year Employment Site Requirements: High Growth Scenario

	Industrial Site Requirements	Commercial Site Requirements	Other
Condon	Three 2-acre sites & two 4-acre sites	Flex building(s) on 6 acres	Downtown infill and home-based occupations

Source: derived from prior tables.

THE CITY OF CONDON

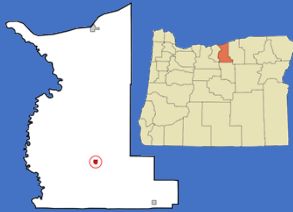


Image Source: Wikipedia

Condon serves as the seat of Gilliam County and rests on a high plateau from where the blue mountains and the cascades can be seen on clear day.

The Condon Commercial Historic District is a welcoming centerpiece to the city and historical landmark.

Of the city's recent initiatives Condon's broadband goals stand out. In 2016 the city approved a Broadband Adoption and Utilization Plan to increase broadband availability.



At a Glance

Population: 675

Number of Businesses: 71

Labor force within 45 Minutes of UGB: 1,200

10 – year Employment Growth Rate: 4.8%

Distance from Interstate 84: 38 Miles

Leading Sectors

1. Public Administration
2. Healthcare
3. Educational Services



Existing Assets

1. Condon State Airport
2. John Day Fossil Beds (proximity)
3. Interstate 84, Oregon Routes 19 and 206



Recommended Target Industries

1. Value-added agriculture (mfg.)
2. Value-added Waste Management
3. Renewable Energy
4. Specialty Trade Contractors
5. Tourism and Recreation

**ECONOMIC OPPORTUNITIES ANALYSIS
FOR THE CITY OF CONDON**

AND

**BUILDABLE LANDS INVENTORIES
FOR THE CITIES OF ARLINGTON AND LONEROCK**

EXEC SUMM AND AUGUST 5 UPDATED DRAFT POLICIES



Prepared for the
Oregon Department of Land Conservation and Development

ANDERSON PERRY & ASSOCIATES, INC.
La Grande, Redmond, and Hermiston, Oregon
Walla Walla, Washington

and

FCS GROUP
Lake Oswego, Oregon

**ECONOMIC OPPORTUNITIES ANALYSIS
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**POLICY UPDATE
August 5, 2019**

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Lake Oswego, Oregon

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FIGURE

Figure 3-1 City of Condon - Buildable Employment Lands Inventory Map

APPENDICES

- Appendix A Cities of Gilliam County EOA Market Opportunities Analysis and Employment Lands Needs,
Prepared by FCS GROUP
- Appendix B Interviews with City Officials for Lonerock and Arlington to Gauge Level of Satisfaction with
Existing Employment Land Supplies
- Appendix C Oregon Department of Land Conservation and Development Economic Opportunities
Analysis Map for Gilliam County and Cities

Executive Summary

In 2018, the Oregon Department of Land Conservation and Development (DLCD) received \$300,000 from the Oregon Legislature via House Bill (HB) 5201 for economic development planning assistance “for the purpose of providing technical assistance grants to eastern Oregon counties for economic opportunity analyses (EOAs).” The purpose of an EOA is to ensure that a city will have an adequate available land supply to support economic growth. An EOA includes analysis of local and regional economic trends, evaluation of the community’s opportunities and barriers to economic growth, and a determination of the types and amounts of land and infrastructure needed to support expected employment. Implementation of HB 5201 by DLCD became known as the Eastern Oregon Economic Development Project. Cities and counties were invited to apply for technical assistance, and in August 2018, Gilliam County and the City of Condon were selected to receive funding assistance. The Cities of Arlington and Lonerock chose not to participate in the project. As a result, the project became locally referred to as the City of Condon EOA Project. Because EOAs apply only to areas within cities’ urban growth boundaries (UGB), Gilliam County served in a coordinating role for the project.

Anderson Perry & Associates, Inc. (AP) was selected as the consultant to provide technical planning assistance for the City of Condon EOA project. AP subcontracted with FCS GROUP to prepare the local, regional, state, and national economic trends and site needs analysis portion of the project, which can be found in Section 2.0 of this report and in Appendix A. Based on these trends, FCS GROUP found the following industries offered the City of Condon its best opportunities to target new businesses or to support expansion of existing businesses: value-added agriculture and light manufacturing; value-added waste management; renewable energy; tourism and recreation; and specialty trade contractors. Site needs, or the types and amounts of land needed by the City to accommodate projected growth and expansion of businesses associated with these target industries for the 20-year planning period, from 2019 to 2039, were identified. These site needs became the basis for determining, after a review of the existing supply of vacant buildable and redevelopable employment-type lands, whether Condon is expected to have an adequate land supply to meet these industry needs, as discussed in Section 3.0 of this report.

Based on the information and analyses contained in Sections 2.0 and 3.0 of this report, Section 4.0 sets out to reconcile whether the City of Condon is expected to have an adequate buildable land supply within its UGB that can accommodate projected growth and expansion for the target industries. AP found that Condon is expected to have a surplus of commercial and industrial land within its UGB during the 20-year planning period. The City owns 7.11 acres within its UGB, approximately two-thirds of a mile west of the Condon State Airport zoned for public use that can also be made available for industrial use, if needed.

An assessment of community economic development potential based on community strengths and locational factors in relation to each target industry is also contained in Section 4.0. Condon has potential to benefit from businesses or industries associated with value-added agriculture and light manufacturing, especially light manufacturing or processing that involves adding value to agricultural products produced in Gilliam County and the region. Hemp and hemp-related products may provide especially promising opportunities for Gilliam County and Condon. Waste management remains a strong industry in Gilliam County, with opportunities related to recycling, energy production, hazardous waste management, and composting. Renewable energy in the form of wind farms and solar farms is a growing industry in the County. The challenge for Condon will be determining how to tap into these

industries. Construction and maintenance of these facilities will continue to contribute to the City's economy whether directly or indirectly through support activities. Recreational assets in the County and region, such as the John Day River and Cottonwood Canyon State Park, provide attractions for boating, fishing, hiking, camping, sight-seeing, and other recreational activities that should provide opportunities for new or existing businesses in the tourism and recreation industry. With the right approach and strategies, Condon has potential to become more of a destination for artisans seeking quality of life factors to develop their crafts, which would, in turn, bring more visitors to the area.

Factors that tend to affect economic development in small cities in eastern Oregon, both positively and negatively, are briefly discussed in Section 4.0 of this report. These factors include environment and topography; location and lot sizes; access and public services; public water, wastewater, and storm drainage system capacities; ownership (of vacant buildable land supply); workforce housing; fiber optic broadband; and climate change. Condon has a historic downtown and wide-open views that help give it a certain quality of life feel. The City has more than adequate capacities in its public water and wastewater systems to accommodate projected growth. Like many other cities in the region, however, Condon has a severe lack of affordable workforce housing, which is a limitation for attracting new businesses to the community. Condon has worked with Gilliam County to bring high-speed fiber optic cable to the community, which is vital to attracting new businesses and helping existing businesses expand.

Throughout the entire planning process, a series of advisory committee meetings and a public meeting were held to review information and analyses provided by AP and FCS GROUP. Feedback from these meetings helped ensure that issues important to the community were addressed and assure a reasonable level of accuracy in the information provided to guide policy development.

Amendments to the City's Comprehensive Land Use Plan policies are recommended in Section 5.0 of this report and are intended to help the City implement its economic development plan. Recommended objectives and strategies are also included to help guide specific actions and provide measures for implementation of certain economic development policies.

Although the Cities of Arlington and Lonerock chose not to participate, AP identified the vacant buildable and redevelopable commercial, industrial, and other employment-type lands for each city, which are included in Appendix B of this report. Interviews with elected and/or appointed representatives for each city were conducted to assess the level of satisfaction by each city regarding its buildable vacant commercial and industrial land inventories. The City of Arlington updated the Goal 9 Economic Development element in its Comprehensive Land Use Plan in 2015, which included updates to its buildable vacant commercial and industrial land inventories. As a result, Arlington indicated it was satisfied with its buildable vacant commercial and industrial land inventories. The City of Lonerock, with a total population of 20, does not have any land planned or zoned for commercial or industrial use. All platted land within the City is zoned for residential use. A considerable amount of land within the City is used in conjunction with a couple of large ranches in the area. Gilliam County conducts Lonerock's land use planning due to the City's small size. Interviewees for Lonerock expressed that, for a number of reasons, a business in Lonerock would not be economically viable. These City representatives felt the citizens of Lonerock are satisfied with not having any commercial or industrial land within the UGB.

Appendix C contains a map of Gilliam County with insets of the Cities of Arlington and Condon created by the DLCD. This map provides a regional perspective of the cities within the County and surrounding

areas, and a broad overview of the employment type lands within each city. The map was presented along with the buildable land inventory map in Section 3 of this report (Figure 3-1) at the public meeting held on March 19, 2019, for comparison and review by the public.

Draft Economic Policy Recommendations

1.1 Introduction

This section includes Condon's current economic development goal and policies with draft amendments and new recommended draft community economic development policies and objectives consistent with Oregon Administrative Rules 660-009-0020. A list of recommended next steps is provided following the updated draft economic development comprehensive plan policies for Goal 9. The draft policies and objectives listed below are intended to guide positive economic development within the urban growth boundary.

Condon's existing stated economic goal and policies are shown in Section 1.2 (5.2 in the full report) below. Recommended amendments and new policies, objectives, and strategies are shown in **bold**. Existing language recommended to be deleted is shown with a strikeout line, like this.

1.2 Recommended Amendments to Current Economic Development Policies; Recommended New Policies; Objectives and Strategies

Goal 9: Economics

Strengthen, diversify and maintain the economy and living wage jobs in Condon by building upon the city's investments, assets and strengths, encouraging economic development and supporting Condon's industries including but not limited to downtown commercial development, value-added agriculture, value-added waste management, renewable energy, construction, recreation and government. ~~To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon cities.~~

Policies

1. Recognizing the City's finite commercial area, the City shall strive to maintain the viability of the downtown commercial core area.

Objective 1.2: Support better utilization of buildable vacant lands within the City's downtown commercial core for multiple types of businesses.

Objective 1.2: Develop a downtown improvement plan that builds on the work in the Community Assessment Report for Condon, Oregon, conducted by the Oregon Economic and Community Development Department's Main Street Program in March 2009, currently contained under the Economic Development element of Condon's Comprehensive Land Use Plan.

Objective 1.3: Help ensure a diverse housing stock to accommodate residents and employees that wish to start a business or work in Condon.

2. The City of Condon shall strive to provide adequate plans for economic activities that contribute to the well-being of the City.
-

Objective 2.1: Consider strategies to make Condon a destination for tourism as well as year-round residents and potential employers.

Strategies:

- **Develop a community vision that reflects community values and can serve as a basis for a five-year economic development strategy.**
- **Encourage unique opportunities to attract visitors to experience Condon's scenic and historic qualities consistent with the community's vision.**
- **Focus on quality of life draws such as theater, bowling alley, breweries, etc.**
- **Continue coordinating with Sherman, Wheeler, and Grant Counties on the John Day River Territory tourism marketing strategy.**

Objective 2.2: Support Oregon Aviation Department, Gilliam County, and Port of Arlington efforts that result in an updated Condon State Airport Master Plan and associated infrastructure improvements.

Objective 2.3: Regularly update the City's capital improvement program for public infrastructure needed to prioritize development of vacant and redevelopable commercial and industrial sites identified in the buildable employment lands inventory.

Objective 2.4: Change the zoning for the publicly owned land at the north end of Condon to employment to provide space to encourage business startups and expansions.

3. The City shall strive to provide an adequate amount of **employment** (commercial and industrial) land for future needs.

Objective 3.1: Maintain 20-year buildable land inventory of vacant Commercial and Industrial zoned sites proportionally to meet business expansion requirements for target industries that are identified in this Economic Opportunities Analysis (Section 3), as current sites develop.

Objective 3.2: Work with Gilliam County, the Port of Arlington, and Business Oregon to attract traded sector businesses on airport and industrial land that offer living wages (includes average wage rates higher than the statewide average median wage for all private business establishments).

Objective 3.3: Support full utilization of buildable vacant lands within the City for a full range businesses, including entrepreneurial, home-based, commercial and industrial enterprise.

Strategies:

- **Provide public services that can be extended to employment lands.**

- Track the development of employment lands on the City's buildable land inventory map.
 - Promote commercial and industrial lands for sale or for lease on Business Oregon's www.oregonprospector.com.
4. The City shall continue to support home-based occupations and provide for a streamlined review and approval process for them.

Objective 4.1: Support home-based business occupations.

Strategies:

- Upon City Council request, conduct annual survey of local businesses to determine local business expansion needs.
5. Strengthen economic development partnerships in and with Gilliam County.

Objective 6.1: Support City, Port, County, regional, state, academic (OSU, Columbia Gorge Community College) and federal projects and initiatives that may positively impact or influence business development especially production of living wage jobs in Condon.

Strategies:

- Participate in airport planning for the Condon State Airport Master Plan by the Oregon Aviation Department.
- Continue to plan for economic development with the US Department of Commerce Economic Development District for Condon – the Greater Eastern Oregon Economic Development District.
- Work with the Regional Solutions Team to encourage small business service extension from Columbia Gorge Community College.

Objective 6.3: Maintain working relationships with Gilliam County and the Port of Arlington to routinely obtain guidance and assistance with opportunities in the target industries.

Objective 6.4: Encourage and partner to develop educational and training programs within the construction trades to promote and retain a larger, more diversified pool of construction contractors within the local area.

1.3 Draft Recommended Next Steps

1. Work with the Condon Chamber and other local, state and regional partners to develop a community vision and economic development strategy through a community process to

- help guide appropriate economic opportunities and development. An economic development strategy identifies city and partner roles and responsibilities.**
- 2. In consultation with Gilliam County and other economic development partners, set a few economic development goals annually.**
 - 2. Continue to address workforce housing needs and opportunities. Seek funding from the Department of Land Conservation and Development to develop a Housing Needs Analysis. Partner also with Oregon Housing and Community Services to serve the full range of income needs including starter-homes and homes affordable to to seniors.**
 - 3. Update the City's capital improvement program to focus public infrastructure investments to support and encourage needed employment and housing development.**
 - 4. Partner with technical and educational providers such as Columbia Gorge Community College to provide workforce training resources to the residents of Condon.**

DRAFT

2019 MSRS

July

	County	Arlington	Condon
Alarm	1	0	1
Medical	2	1	0
Assist Fire Dept.	7	2	0
Animal Problem	8	3	1
Assist Person	36	8	3
Assist Officer	7	0	3
Assist Outside Agency	11	1	3
Civil Matter	0	0	0
Disturbance	10	5	5
Juvenile	2	0	2
Suspicious Circumstances	18	8	3
Traffic Problem	17	1	1
Lost or Found Property	1	0	0
Traffic Stop (No Citation)	119	11	20
Civil Service	8	4	2
K9 Deployment	0	0	0
Security Check	3	0	0
Fingerprints	0	0	0
Impound Release	0	0	0
Training	6	0	0
Court/Court Security/Transport	1	0	0
All Other	42	4	28

TOTAL	299
Arlington City Limits	48
Condon City Limits	72

TRAFFIC CITATIONS

I-84	95
Hwy. 19	37
Condon	12
Arlington	3
Hwy. 206	20
Hwy. 74	0
Cedar Springs Road	0
Blalock Road	0
Lonerock Road	0
Carter Hill Lane	0
Richmond Lane	0
TOTAL	167

INCIDENT REPORTS

County Total	35
City of Arlington	11
City of Condon	12

Other Citations

Use of Marijuana in a Public Place	0
Minor in Possession of Alcohol	0



8/1/2019

City of Condon
128 S. Main Street
Condon, OR 97823

Dear Condon City Council Members,

In November and December, the Condon Chamber of Commerce will be hosting two community events, The Annual Fall Festival will take place on November 23rd and will be held in the Veterans Memorial Hall, Condon Elks Lodge and the Anderson Building. In 2018 we signed up 64 vendors and welcomed over 350 shoppers to the event. The first Annual Festival of Trees fundraiser will take place on December 13th. This is a community event and fundraiser will benefit the Condon Schools and Education Foundation. Our goal is to auction up to 25 donated trees from businesses and community members and host an elegant evening affair for community members and sponsors.

On behalf of the Condon Chamber of Commerce, we would like for you to consider waiving or reducing the facility use fee for both events. The Condon Chamber of Commerce is a nonprofit organization who works hard to drive community events and help support businesses and organizations.

We hope you will consider our proposal to waive or reduce the rental fees.

Thank you,

A handwritten signature in blue ink that reads "K'Lynn Lane".

K'Lynn Lane
Executive Director
Condon Chamber of Commerce
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