



CITY OF
JOHN DAY

CITY COUNCIL MEETING AGENDA
Tuesday September 24, 2024,
REGULAR MEETING: 6:30 pm
Executive Session directly after regular agenda
John Day Fire Station
316 S Canyon Blvd, John Day, OR 97845
(541)575-0028 www.cityofjohnday.com

This meeting is open to the public. This agenda includes a list of the principal subjects anticipated to be considered at the meeting. However, the agenda does not limit the ability of the Council to consider additional subjects. Meetings may be canceled without notice. Zoom Meeting participants should use the “raise your hand” feature during these times to alert the moderator that they would like to speak.

Join Zoom Meeting

City of John Day is inviting you to a scheduled Zoom meeting.

<https://zoom.us/j/95867942253?pwd=dHE5c3djSEx4OFBuZndPQU5HMGN3QT09>

Meeting ID: 958 6794 2253

Passcode: 776959

Call to Order: Regular Meeting 6:30 pm.

1. Call John Day City Council Meeting to Order
2. Pledge of Allegiance
3. Roll Call
4. Amend or Accept Regular Agenda

5. Public Comments (*Please Limit to 3 Minutes*)

Public Comments are an opportunity to present information or speak on an issue that is not on the agenda. Comments are limited to 3 minutes for each person. Visitors may state their comments and should not expect the council to engage in back and forth dialogue regarding the comment, council may either choose to add it to a follow up meeting or direct City Manager to follow up with the speaker.

6. Consent Agenda

All matters listed within the Consent Agenda have been distributed to every member of the City Council for reading and study, are considered routine, and will be enacted by one motion of the Council. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by request.

- a. Accounts Payable through September 6, 2024
- b. Minutes for September 10, 2024

7. Grant County Digital Dissolution Ordinance 24-203-15 An Ordinance Approving and Consenting to termination of the IGA for joint management of Broadband network; and repealing chapter 2-2 (Grant County Digital Network Coalition) of John Day Municipal Code.

8. Rally Sale Agreement/ Sale of 300 Barnes, Seneca
9. Malheur Lumber Economic Impact and Advocacy Letter – Councilor Labhart
10. Rob Gaslin; Gaslin Accounting CPAs, PC financial update
11. Appointment of Mayor
12. City Manager Comments
13. Mayor and Council Comments

EXECUTIVE SESSION:

ORS 192.660(2)(e) To conduct deliberations designated by the governing body to negotiate real property transactions.

14. Adjournment: **Next Meeting October 8, 2024**

Report Criteria:
Report type: Invoice detail
Check.Type = {<->} "Adjustment"

Check Issue Date	Check Number	Vendor Number	Payee	Invoice Number	Invoice GL Account	Invoice Amount	Check Amount
ACS - ADVANCED CONTROL SYSTEMS							
09/06/2024	750256	1013	ACS - ADVANCED CONTROL SYSTEM	39451	03-000-63450	3,146.73	3,146.73
Total 750256:							3,146.73
AMAZON CAPITAL SERVICES, INC.							
09/06/2024	750257	1026	AMAZON CAPITAL SERVICES, INC.	14PF-71R4-9	06-000-63877	80.69	80.69
09/06/2024	750257	1026	AMAZON CAPITAL SERVICES, INC.	1HJC-7GLC-9	03-000-63400	60.00	60.00
09/06/2024	750257	1026	AMAZON CAPITAL SERVICES, INC.	1K3G-9YDK-F	06-000-63877	379.50	379.50
09/06/2024	750257	1026	AMAZON CAPITAL SERVICES, INC.	1YJX-FKK6-W	06-000-63877	21.82	21.82
Total 750257:							542.01
BADGER METER INC.							
09/06/2024	750258	1041	BADGER METER INC.	80168215	02-000-66306	100.32	100.32
Total 750258:							100.32
BENCHMARK LAND SURVEYING							
09/06/2024	750259	1048	BENCHMARK LAND SURVEYING	C.LOWE0904	01-000-63825	530.50	530.50
Total 750259:							530.50
BOX R WATER ANALYSIS							
09/06/2024	750260	1062	BOX R WATER ANALYSIS	X059512	02-000-64100	50.00	50.00
09/06/2024	750260	1062	BOX R WATER ANALYSIS	X059513	02-000-64100	50.00	50.00
Total 750260:							100.00
CASEY MYERS							
09/06/2024	750261	1084	CASEY MYERS	SO-70978	03-000-63400	1,998.99	1,998.99
Total 750261:							1,998.99
CLARK'S DISPOSAL							
09/06/2024	750262	1109	CLARK'S DISPOSAL	AUGUST1144	03-000-64301	145.13	145.13
Total 750262:							145.13
DONOVAN ENTERPRISES INC.							
09/06/2024	750263	1597	DONOVAN ENTERPRISES INC.	1610	03-000-64100	1,225.00	1,225.00
Total 750263:							1,225.00
DUCOTE CONSULTING, LLC							
09/06/2024	750264	1163	DUCOTE CONSULTING, LLC	2283	03-000-66230	1,875.00	1,875.00
09/06/2024	750264	1163	DUCOTE CONSULTING, LLC	2288	06-000-63825	2,362.50	2,362.50
Total 750264:							4,237.50
ED STAUB & SONS PROPANE							
09/06/2024	750265	1168	ED STAUB & SONS PROPANE	CL286971	26-000-63100	421.82	421.82

Handwritten notes and initials on the left margin, including "PP" and a circled "10/17".

Check Issue Date	Check Number	Vendor Number	Payee	Invoice Number	Invoice GL Account	Invoice Amount	Check Amount
Total 750265:							421.82
GASLIN ACCOUNTING CPAS PC							
09/06/2024	750266	1191	GASLIN ACCOUNTING CPAS PC	00656	06-000-63825	4,938.00	4,938.00
Total 750266:							4,938.00
HIGH DESERT OFFICE EQUIPMENT							
09/06/2024	750267	1238	HIGH DESERT OFFICE EQUIPMENT	120038	01-050-62900	45.00	45.00
Total 750267:							45.00
JD RENTS & POWER EQUIPMENT INC							
09/06/2024	750268	1258	JD RENTS & POWER EQUIPMENT INC	PO20628	06-000-63800	75.98	75.98
Total 750268:							75.98
JOHN DAY FIREFIGHTERS ASSOC							
09/06/2024	750269	1276	JOHN DAY FIREFIGHTERS ASSOC	JDFFAUG24	01-050-62950	492.00	492.00
Total 750269:							492.00
NYDAM'S ACE HARDWARE							
09/06/2024	750270	1381	NYDAM'S ACE HARDWARE	1604560	01-050-63550	52.94	52.94
09/06/2024	750270	1381	NYDAM'S ACE HARDWARE	1606032	02-000-64260	7.99	7.99
Total 750270:							60.93
ONE CALL CONCEPTS							
09/06/2024	750271	1387	ONE CALL CONCEPTS	4080401	06-000-64100	15.84	15.84
Total 750271:							15.84
OREGON WATER RESOURCES DEPT							
09/06/2024	750272	1409	OREGON WATER RESOURCES DEPT	G-15640	02-000-66400	1,990.00	1,990.00
Total 750272:							1,990.00
TEC COPIER SYSTEMS LLC							
09/06/2024	750273	1500	TEC COPIER SYSTEMS LLC	218105	06-000-62900	89.08	89.08
Total 750273:							89.08
VISA							
09/06/2024	750274	1540	VISA	AUGUST24-0	03-000-63460	906.23	906.23
09/06/2024	750274	1540	VISA	AUGUST24-1	01-000-63800	77.97	77.97
09/06/2024	750274	1540	VISA	AUGUST24-1	06-000-63800	42.30	42.30
09/06/2024	750274	1540	VISA	AUGUST24-2	01-000-63500	630.00	630.00
Total 750274:							1,656.50
WELLS FARGO FINANCIAL LEASING							
09/06/2024	750275	1548	WELLS FARGO FINANCIAL LEASING	5031077485	34-000-63650	200.13	200.13
Total 750275:							200.13

R.P.
50

R.P.

Check Issue Date	Check Number	Vendor Number	Payee	Invoice Number	Invoice GL Account	Invoice Amount	Check Amount
Grand Totals:							<u>22,011.46</u>

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
01-000-20000	.00	4,752.48-	4,752.48-
01-000-62850	20.01	.00	20.01
01-000-62900	26.72	.00	26.72
01-000-63500	630.00	.00	630.00
01-000-63800	45.99	.00	45.99
01-000-63825	2,469.40	.00	2,469.40
01-000-64798	36.28	.00	36.28
01-050-62850	10.00	.00	10.00
01-050-62900	45.00	.00	45.00
01-050-62950	492.00	.00	492.00
01-050-63550	52.94	.00	52.94
01-050-63800	887.85	.00	887.85
01-050-64798	36.29	.00	36.29
02-000-20000	.00	4,973.33-	4,973.33-
02-000-62850	70.05	.00	70.05
02-000-62900	26.72	.00	26.72
02-000-63800	85.29	.00	85.29
02-000-63825	1,938.90	.00	1,938.90
02-000-64100	717.78	.00	717.78
02-000-64260	7.99	.00	7.99
02-000-64798	36.28	.00	36.28
02-000-66306	100.32	.00	100.32
02-000-66400	1,990.00	.00	1,990.00
03-000-20000	.00	8,994.02-	8,994.02-
03-000-62460	70.06	.00	70.06
03-000-62500	26.72	.00	26.72
03-000-63400	2,062.57	.00	2,062.57
03-000-63450	5,085.63	.00	5,085.63
03-000-63460	18.38	.00	18.38
03-000-63650	14.10	.00	14.10
03-000-64100	617.78	.00	617.78
03-000-64301	36.28	.00	36.28
03-000-66230	1,062.50	.00	1,062.50
06-000-20000	.00	2,859.81-	2,859.81-
06-000-62850	20.01	.00	20.01
06-000-62900	8.92	.00	8.92
06-000-63800	47.29	.00	47.29
06-000-63825	2,296.30	.00	2,296.30
06-000-63877	482.01	.00	482.01
06-000-64100	5.28	.00	5.28
26-000-20000	.00	421.82-	421.82-
26-000-63100	336.35	.00	336.35
26-050-63100	85.47	.00	85.47
34-000-20000	.00	10.00-	10.00-
34-000-63650	10.00	.00	10.00
Grand Totals:	<u>22,011.46</u>	<u>22,011.46-</u>	<u>.00</u>

CITY OF JOHN DAY
CITY COUNCIL MINUTES SEPTEMBER 10, 2024

COUCILORS PRESENT:

David Holland, Councilor
Chris Labhart, Councilor
Eric Bush, Councilor
Edwin Newby, Councilor
Ron Phillips, Councilor
Sherrie Rininger, Council President

COUNCILORS ABSENT

STAFF PRESENT:

Melissa Bethel, City Manager
Nick Ducote, Contract Grant writer &
administrator

Agenda Item No. 1—Call Meeting to Order

The City Council meeting was called to order at 6:30 pm.

Agenda Item No. 2—Pledge of Allegiance

The City Council stood for the Pledge of Allegiance.

Agenda Item No. 3—Roll Call and Attendance

All councilors were present.

Agenda Item No. 4—Amend or Accept Regular Agenda

Councilor Labhart moved to accept the agenda as presented. The motion was seconded by Councilor Bush and passed unanimously.

Agenda Item No. 5—Public Comments

Travis Piercy: Piercy has been an employee for the City of John Day for the last 5 years and handed in his two-week notice.

Agenda Item No. 6—Consent Agenda

Items on the consent agenda for approval:

- a) Accounts Payable through August 31, 2024
- b) Minutes for August 13, 2024

Councilor Labhart reminded Council that legal fees are up to \$63,000 with only a \$90,000 budget.

Councilor Bush moved to approve the consent agenda as published. The motion was seconded by Councilor Newby and passed unanimously.

Agenda Item No. 7—Ducote Consulting Update on Grants/Projects

Ducote gave some updates regarding the Wastewater Project. All of the environmental hurdles have been cleared. The City has received Release of Funds for USDA and Business Oregon which means construction and equipment procurement can begin as soon as the engineering is ready for those steps.

Agenda Item No. 8—League of Oregon Cities 2025-26 Legislative Priorities (pick top 5 issues)

Council picked Infrastructure Finding, Employment Lands Readiness & Availability, Restoration of Recreational Immunity, 2025 Transportation Package and Operator-in-Training Apprenticeships.

Agenda Item No. 9—City Manager Comments

a. Camping Ordinance Update, set date for next workshop

Council came to a consensus to have the Townhall on October 15th at 6:30pm.

Agenda Item No. 10—Mayor and Council Comments

Councilor Holland addressed issues he had regarding comments made at the Public Forum about him.

Adjourn:

There being no further business before council, Councilor Newby moved to adjourn the meeting. The motion was seconded by Councilor Phillips and passed unanimously.

Melissa Bethel, CM

ORDINANCE NO. 24-203-15

AN ORDINANCE OF CITY OF JOHN DAY APPROVING AND CONSENTING TO TERMINATION OF THE INTERGOVERNMENTAL AGREEMENT FOR JOINT MANAGEMENT OF BROADBAND NETWORK; AND REPEALING CHAPTER 2-2 (GRANT COUNTY DIGITAL NETWORK COALITION) OF THE JOHN DAY MUNICIPAL CODE.

WHEREAS, on November 14, 2017, the city council (the "Council") of City of John Day ("City") adopted Ordinance No. 17-170-01 (the "Original Ordinance") to (a) declare its intent to create the intergovernmental entity Grant County Digital Network Coalition ("Agency") by intergovernmental agreement, and (b) ratifying Agency's creation; and

WHEREAS, the Original Ordinance was codified in Title 2, Chapter 2 (Grant County Digital Network Coalition) of the City of John Day Municipal Code (the "Code"); and

WHEREAS, on April 10, 2018, the Council adopted Ordinance No. 18-171-01, amending the Original Ordinance's effective date to April 10, 2018; and

WHEREAS, on April 10, 2018, City, City of Seneca, and Grant County (collectively, the "Parties") entered into a certain Intergovernmental Agreement for Joint Management of Broadband Network (the "Agreement") concerning Agency, an intergovernmental entity created pursuant to ORS chapter 190, and its operations; and

WHEREAS, on June 18, 2024, Agency's board of directors voted unanimously to dissolve Agency; and

WHEREAS, City desires to (a) terminate the Agreement, and (b) repeal Chapter 2-2 of the Code in its entirety.

NOW, THEREFORE, the City of John Day ordains as follows:

1. Findings. The above-stated findings contained in this Ordinance No. 24-203-15 (this "Ordinance") are hereby adopted.

2. Termination. City hereby approves and consents to (a) termination of the Agreement, and (b) dissolution of Agency. The city manager is authorized to sign and deliver all agreements, documents, and/or instruments, and to take or cause to be taken all other acts on behalf of City, that he or she deems necessary or appropriate to effect and carry out the Agreement's termination and/or Agency's dissolution, including, without limitation, signing Agency's dissolution plan on behalf of City, all in form and content acceptable to the city manager.

3. Repeal – Chapter 2-2. Chapter 2-2 (Grant County Digital Network Coalition) of the Code, and all ordinances, resolutions, and/or policies in conflict with this Ordinance, are hereby repealed and of no further force and effect.

4. Severability; Corrections. All pronouns contained in this Ordinance (and any variations thereof) will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. Any reference to a particular law, statute, rule, regulation, code, or ordinance includes the law, statute, rule, regulation, code, or ordinance as now in force and hereafter amended. If any section, subsection, sentence, clause, and/or portion of this Ordinance is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Ordinance. This Ordinance may be corrected by order of the Council to cure editorial and/or clerical errors.

[end of ordinance – the signature page immediately follows]

This Ordinance was PASSED and ADOPTED by the John Day City Council by a vote of [] for and [] against and APPROVED by the mayor on this 24th day of September, 2024.

By: _____

ATTEST:

Melissa Bethel, City Manager

PURCHASE AND SALE AGREEMENT
(Seneca Building)

This Purchase and Sale Agreement (this "Agreement") is dated September ___, 2024, but made effective for all purposes as of the Effective Date, and is entered into between City of John Day ("Seller"), an Oregon municipal corporation, and Oregon Telephone Corporation ("Buyer"), an Oregon corporation d/b/a Rally networks, whose address is 1 Telephone Drive, Mount Vernon, Oregon 97845.

RECITALS:

A. Seller owns certain real property (and all improvements located thereon) located in Grant County, Oregon commonly known as the "Seneca Building" located at 300 Barnes Avenue, Seneca, Oregon 97873, as more particularly described on the attached Exhibit A and depicted on the attached Exhibit B (the "Real Property").

B. Subject to the terms and conditions contained in this Agreement, Seller will sell the Property to Buyer and Buyer will purchase the Property from Seller.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions.

Unless defined elsewhere in this Agreement, capitalized terms contained in this Agreement have the meanings assigned to them in the attached Appendix A.

2. Sale of Property.

2.1 Purchase; Earnest Money. Subject to the terms and conditions contained in this Agreement, at the Closing Buyer will purchase the Property from Seller and Seller will sell the Property to Buyer. The purchase price for the Property is \$150,000.00 (the "Purchase Price"). Within 10 days after the Effective Date, Buyer will deposit the Earnest Money with Title Company. The Earnest Money will be applied to the Purchase Price at Closing.

2.2 Payment of Purchase Price. At the Closing, Buyer will pay the Purchase Price as follows: (a) the Earnest Money will be credited toward the Purchase Price; and (b) Buyer will pay Seller the unpaid balance of the Purchase Price by cash, cashier's check, or wire transfer to an account specified by Seller in writing.

2.3 Proration; Escrow Fees. Subject to the terms and conditions contained in this Agreement, all utilities, rents, taxes, and other similar expenses with respect to the Property will be prorated between Seller and Buyer as of the Closing. Seller is a tax-exempt municipal corporation. Notwithstanding anything contained in this Agreement to the contrary, Seller will not pay any real property taxes and/or personal property taxes concerning or related to the Property and/or this Transaction (consistent with ORS 311.410, real property taxes and personal property taxes (if any) will not be pro-rated between Seller and Buyer). Seller and Buyer will each pay one-half (50%) of any escrow fees charged by Title Company. Seller will pay the costs of the Title Insurance.

2.4 AS-IS Transaction. **BUYER ACKNOWLEDGES AND AGREES THAT BUYER IS BUYING THE PROPERTY "AS IS" AND "WITH ALL FAULTS AND DEFECTS" AS OF THE CLOSING DATE, WITHOUT ANY SELLER REPRESENTATIONS OR WARRANTIES, EXPRESS, IMPLIED, EXCEPT AS OTHERWISE PROVIDED IN SECTION 3 BELOW, AND/OR STATUTORY, OF ANY KIND WHATSOEVER. SELLER HAS NO OBLIGATION TO REPAIR, IMPROVE,**

AND/OR CORRECT ANY PROPERTY CIRCUMSTANCES, CONDITIONS, AND/OR DEFECTS. BUYER ACKNOWLEDGES AND AGREES THAT SELLER DISCLAIMS (A) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, AND (B) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. BUYER ASSUMES RESPONSIBILITY AND RISKS OF ALL PROPERTY DEFECTS AND CONDITIONS. BUYER IS MAKING BUYER'S OWN DETERMINATION REGARDING THE PROPERTY'S VALUE AND/OR USE. BUYER AND SELLER ACKNOWLEDGE AND AGREE THAT THIS DISCLAIMER HAS BEEN SPECIFICALLY NEGOTIATED AND IS A MATERIAL INDUCEMENT TO SELLER'S AGREEMENT TO SELL THE PROPERTY TO BUYER.

Buyer Initials: _____

3. Seller Representations; Warranties; Covenants.

Except for the express representations and warranties contained in this Section 3, Seller expressly excludes all representations and warranties with respect to the Property and/or Transaction, express and implied, including, without limitation, the warranty of merchantability, warranty of fitness for a particular purpose, and any warranties that may have arisen from course of dealing or usage of trade. Subject to the immediately preceding sentence (and as otherwise provided under this Agreement), Seller represents and warrants to Buyer as follows:

3.1 Authority and Binding Obligation. Seller has full power and authority to sign and deliver this Agreement and to perform all Seller's obligations under this Agreement. The execution, delivery, and performance of this Agreement, and any agreement contemplated herein, constitutes a valid and binding agreement of Seller, enforceable in accordance with its terms. Seller's execution, delivery, and performance of this Agreement will not result in a breach or violation of, nor constitute a default under, any agreement, law, judgment, and/or order, or require the consent, authorization, and/or approval of any person, including, without limitation, any governmental body.

3.2 Filings; Notices; Notification. Subject to the terms and conditions contained in this Agreement, Seller will (a) make all filings and give all notices that Seller is required to make and give to close the Transaction, (b) reasonably cooperate with Buyer with respect to all consents, authorizations, approvals, filings, and notices that Buyer is required to make and give to close the Transaction, (c) use Seller's reasonable efforts to effectuate the Transaction, including obtaining all consents, authorizations, and approvals that Seller is required to obtain to close the Transaction.

3.3 No Brokers or Finders; Foreign Person; Accuracy. Seller has not incurred any liability or obligation, whether contingent or otherwise, for a brokerage commission, a finder's fee, or any other similar payment in connection with this Agreement and/or the Transaction. Seller is not a "foreign person" for purposes of Internal Revenue Code Section 1445. None of Seller's representations or warranties contains any untrue statement of a material fact or omits or misstates a material fact necessary to make the statements contained herein not misleading.

4. Buyer Representations and Warranties.

Except for Buyer's express representations and warranties contained in this Agreement, Buyer expressly excludes all representations and warranties with respect to the Transaction, express and implied. Subject to the immediately preceding sentence, Buyer represents and warrants to Seller as follows:

4.1 Authority; Binding Obligation; No Conflicts. Buyer has full power and authority to sign and deliver this Agreement and to perform all Buyer's obligations under this Agreement. The execution, delivery, and performance of this Agreement constitutes a valid and binding agreement of Buyer, enforceable in accordance with its terms. Buyer's execution, delivery, and performance of this Agreement will not result in a breach and/or violation of, nor constitute a default under, any agreement, law, judgment, and/or order, and/or require the consent, authorization, and/or approval of any person, including, without limitation, any governmental body.

4.2 Buyer Due Diligence.

4.2.1 Buyer has knowledge and experience in real estate and land use matters necessary to make Buyer capable of evaluating the merits and risks of the Transaction, entering into this Agreement, and purchasing and owning the Property. Buyer has had the opportunity to ask questions and receive answers concerning the Property, Transaction, this Agreement, and all other information deemed necessary or appropriate by Buyer concerning Buyer's acquisition of the Property and Transaction. Buyer has entered into this Agreement based on its own examination, personal knowledge, and opinion of the Property's value. Buyer has not relied on any representations or warranties made by Seller other than those provided under Section 3 of this Agreement. Buyer has sufficient assets to ensure Buyer's timely performance of its obligations under this Agreement, including, without limitation, payment of the Purchase Price.

4.2.2 If this Transaction closes, Buyer will be deemed to have completed (or knowingly waived Buyer's opportunity to complete) an inspection and evaluation of the Property concerning, among other things, structural conditions, soil conditions/compaction, stability, environmental issues (e.g., contamination), zoning, encroachments, condition of title, Encumbrances, and/or suitability of the Property for Buyer's intended purpose. Based on this inspection and evaluation (or waiver of such inspection and evaluation), Buyer will be deemed to have knowingly, voluntarily, and without reservation accepting the Property in its "AS-IS" AND "WITH ALL FAULTS AND DEFECTS CONDITION" as of the Closing Date. Seller has made no promise or agreement to repair, alter, construct, and/or improve the Property, or any part thereof (including any structure on the Property).

4.3 No Brokers or Finders; Accuracy. Buyer has not incurred any liability or obligation, whether contingent or otherwise, for a brokerage commission, finder's fee, or any other similar payment in connection with this Agreement and/or the Transaction. None of Buyer's representations or warranties contains any untrue statement of a material fact or omits or misstates a material fact necessary to make the statements contained herein not misleading.

5. Due Diligence; Property Inspection; Testing.

5.1 Preliminary Title Report.

5.1.1 Within 10 days after the Effective Date, Seller will cause to be delivered to Buyer, at Seller's cost and expense, a preliminary title report showing the Property's condition of title, together with copies of all exceptions listed therein (the "Title Report"). Commencing on Buyer's receipt of the Title Report, Buyer will have no more than 10 days within which to give notice in writing to Seller (the "Notice of Unpermitted Encumbrances") of Buyer's disapproval of any exception(s) shown in the Title Report (the "Unpermitted Encumbrance(s)"). If Buyer fails to provide Seller the Notice of Unpermitted Encumbrances within the ten-day period, all exceptions set forth in the Title Report will be deemed Permitted Encumbrances.

5.1.2 If Buyer timely provides Seller the Notice of Unpermitted Encumbrances, Seller will notify Buyer within 10 days after Seller's receipt of the Notice of Unpermitted Encumbrances (the "Notice of Removal") whether Seller is willing and able to remove the Unpermitted Encumbrances identified in the Notice of Unpermitted Encumbrances. If Seller is willing and able to remove all or any Unpermitted Encumbrances, Seller will remove (or cause to be removed) the Unpermitted Encumbrances identified in the Notice of Removal at or prior to Closing.

5.1.3 If Seller is not willing or unable to remove any Unpermitted Encumbrances, Buyer may, by written notice to Seller given within 10 days after Buyer's receipt of the Notice of Removal, exercise any of the following rights or remedies: (a) Buyer may terminate this Agreement, in which event the Earnest Money will be returned to Buyer and thereafter neither party will have any further rights, remedies, and/or obligations with respect to the Property and Transaction other than as provided in Section 5.3.2 and/or Section 9.3 of this Agreement; (b) Buyer may approve the Title Report subject to the Unpermitted Encumbrances (in which case the Unpermitted Encumbrances will be deemed Permitted Encumbrances); or (c) Buyer may attempt to remove the

Unpermitted Encumbrances (or any of them) at Buyer's cost and expense, in which case the Unpermitted Encumbrances will be deemed Permitted Encumbrances.

5.2 Property Inspection; Testing.

5.2.1 Buyer will have 90 days commencing from the Effective Date (the "Due Diligence Period") within which to complete an inspection, examination, review, and evaluation of the Property. This inspection and examination may include, without limitation, an inspection and examination of the following: (a) the Property's physical condition; (b) the presence or absence of Hazardous Substances; and/or (c) the feasibility of the Property for Buyer's intended purpose.

5.2.2 Buyer and/or Buyer's Representatives will not perform any invasive tests on the Property without Seller's prior written consent; provided, however, Buyer is permitted to perform, after providing Seller no less than 24 hours' prior written notice (which notice will identify the intended testing and location of testing), the following studies and tests subject to the terms and conditions contained in this Agreement: (a) Phase 1 Environmental Site Assessment (ESA); (b) surveys and non-invasive inspections; (c) traffic studies; and (d) hazardous materials testing. Any damage to the Property caused by Buyer and/or Buyer's Representatives in connection with Buyer's and/or Buyer's Representatives entry, survey, test, and/or investigation of the Property will be repaired or restored, at Buyer's cost and expense, to the same or similar condition to which the Property existed prior to the damage. Buyer releases and will defend, indemnify, and hold Seller harmless for, from, and against all Damages resulting from or arising out of Buyer and/or Buyer's Representatives entry, survey, test, and/or investigation of the Property. Buyer's indemnification obligation under this Section 5.3.2 will survive the Closing or earlier termination of this Agreement.

5.2.3 Buyer will notify Seller of the satisfaction or waiver of this Due Diligence contingency by providing Seller written notice to that effect on or before the expiration of the Due Diligence Period (the "Contingency Notice"). If Buyer timely provides the Contingency Notice, this Agreement will continue in full force and effect on the terms and conditions set forth in this Agreement. If Buyer fails to timely provide the Contingency Notice, this Agreement will terminate, the Earnest Money will be returned to Buyer, and neither party thereafter will have any further rights or obligations arising out of or in connection with this Agreement and/or the Transaction, except as provided in Section 5.3.2 and Section 9.3.

6. Closing Conditions.

6.1 Buyer's Closing Conditions. Buyer's obligation to purchase the Property from Seller and close the Transaction is conditioned on the satisfaction by Seller or waiver by Buyer of each of the following conditions, all of which are intended solely for the benefit of Buyer:

6.1.1 Each of Seller's representations and warranties contained in this Agreement must be true and accurate as of the Effective Date and Closing Date. Seller must have performed and complied with Seller's covenants contained in this Agreement to the extent arising or applicable before the Closing. No action, arbitration, audit, hearing, investigation, litigation, suit, and/or other proceeding may be pending or threatened against Seller and/or the Property as of the Effective Date or Closing Date.

6.1.2 In accordance with ORS 311.411, a certificate issued by the Grant County Assessor attesting that all "charges against the real property" (as defined under ORS 311.411) have been paid in full (the "Certificate").

6.1.3 Buyer's satisfactory completion of its title review as provided under Section 5.1. Seller must have caused all applicable items identified under Section 8.3 to be delivered to Buyer. Buyer must be satisfied with the results of its inspection and examination of the Property under Section 5.2.

If any condition described in this Section 6.1 is not satisfied by Seller or waived by Buyer, Buyer may terminate this Agreement by notice to Seller, in which event the Earnest Money will be returned to Buyer and thereafter neither party will have any further rights, remedies, and/or obligations with respect to the Property, each other, and/or this Transaction, except as provided in Section 5.3.2 and Section 9.3.

6.2 Seller's Closing Conditions. Seller's obligation to sell the Property to Buyer and close the Transaction is conditioned on the satisfaction by Buyer or waiver by Seller of each of the following conditions, all of which are intended solely for the benefit of Seller:

6.2.1 Each of Buyer's representations and warranties contained in this Agreement must be true and accurate as of the Effective Date and Closing Date. Buyer must have performed and complied with Buyer's covenants contained in this Agreement to the extent arising or applicable before the Closing. No action, arbitration, audit, hearing, investigation, litigation, suit, and/or other proceeding may be pending or threatened against Buyer and/or the Property as of the Effective Date or Closing Date.

6.2.2 In accordance with ORS 311.411, the Certificate must be issued by the Grant County Assessor.

6.2.3 Buyer must have caused the following items to be executed (as applicable) and/or delivered to Seller: (a) the items set forth in Section 8.2; and (b) Seller must have obtained all consents, authorizations, approvals, agreements, and instruments Seller may require to sell the Property to Buyer and consummate the Transaction.

If any condition described in this Section 6.2 is not satisfied by Buyer or waived by Seller, Seller may terminate this Agreement by notice to Buyer, in which event the Earnest Money will be returned to Buyer and thereafter neither party will have any further rights, remedies, and/or obligations with respect to the Property, each other, and/or this Transaction, except as provided in Section 5.3.2 and Section 9.3.

7. Seller Covenants Before Closing.

Seller covenants to Buyer as follows before the Closing:

7.1 No Transfer; Seller's Business. Until the Closing or earlier termination of this Agreement, Seller will perform and comply with the following: (a) Seller will not Transfer the Property; (b) Seller will own and use the Property in the ordinary course of Seller's business; and (c) Seller will comply with the Laws.

7.2 Notification. Until the Closing or earlier termination of this Agreement, Seller will promptly notify Buyer if Seller obtains actual knowledge of the following: (a) any material loss or damage with respect to the Property with a value over \$10,000.00; (b) Seller's breach of any Seller representation, warranty, and/or covenant contained in this Agreement; and/or (c) any event that makes the satisfaction of any Closing condition impossible or unlikely.

8. Closing; Risk of Loss.

8.1 Closing. Closing will take place at the offices of Title Company on the Closing Date or any other place or time that the parties may agree in writing; provided, however, in no event will the Closing occur after the Drop-Dead Date. If Closing does not occur on or before the Drop-Dead Date, this Agreement will be deemed terminated and, subject to the terms and conditions contained in this Agreement, neither party thereafter will have any further rights, remedies, and/or obligations with respect to the Property, each other, and/or this Transaction, except as provided in Section 5.3.2 and Section 9.4.

8.2 Buyer – Closing Obligations. At the Closing, Buyer will deliver the following to Seller: (a) the Purchase Price, less the Earnest Money, by cash, cashier's check, certified check, or wire transfer to an account

specified by Seller; and (b) a certified check signed by Buyer for any prorated expenses with respect to the Property, if applicable, to the extent that pro-rations may be made at the Closing; (c) the Certificate; and (d) all documents and instruments that Seller may reasonably request to close the Transaction in form and substance reasonably satisfactory to Seller.

8.3 Seller – Closing Obligations. At the Closing, Seller will deliver the following to Buyer: (a) the Deed; (b) possession of the Property; (c) a certified check signed by Seller for any prorated expenses with respect to the Property to the extent that pro-rations may be made at the Closing; (d) the Certificate; and (e) all documents and instruments that Buyer may reasonably request to close the Transaction in form and substance reasonably satisfactory to Buyer.

8.4 Title Insurance; Deed. Within 30 days after the Closing Date, Title Company will furnish Buyer with the Title Insurance at Seller's cost and expense. On the Closing Date, Seller will execute and deliver the Deed to Buyer.

8.5 Risk of Loss. Notwithstanding anything contained in this Agreement to the contrary, Buyer has the option to terminate this Agreement (and the Transaction) by written notice to Seller if, prior to the Closing, the Property is substantially destroyed or rendered unusable (as determined by Buyer). If Buyer terminates this Agreement under this Section 8.5, the Earnest Money will be returned to Buyer and, except as provided in Section 5.3.2 and Section 9.4, neither party thereafter will have any further rights, remedies, and/or obligations with respect to the Property, each other, and/or the Transaction. If Buyer elects not to terminate this Agreement, Seller will assign and turn over to Buyer, and Buyer will be entitled to receive and keep, all awards for the taking by condemnation or insurance proceeds and Buyer will be deemed to have accepted the Property subject to the taking or loss without reduction in Purchase Price.

9. Termination; Default; Indemnification.

9.1 Termination. In addition to all other termination events identified in this Agreement, this Agreement will terminate upon the earliest to occur of the following: (a) upon notice from either Buyer or Seller if Closing has not occurred on or before the Drop-Dead Date; (b) upon notice from Buyer to Seller if any condition to Buyer's obligation to close the Transaction has not been satisfied by Seller or waived by Buyer; or (c) upon notice from Seller to Buyer if any condition to Seller's obligation to close the Transaction has not been satisfied by Buyer or waived by Seller. Upon termination pursuant to this Section 9.1, this Agreement will be deemed terminated, the Earnest Money will be returned to Buyer and, subject to the terms and conditions contained in this Agreement, neither party thereafter will have any further rights, remedies, and/or obligations with respect to the Property, each other, and/or this Transaction, except as provided in Section 5.3.2 and Section 9.4; provided, however, if the Closing did not occur because of a default by Seller or Buyer, the non-defaulting party will have all rights and remedies available under this Agreement.

9.2 Default.

9.2.1 Subject to the terms and conditions contained in this Agreement, Seller will be deemed in default under this Agreement if Seller breaches and/or otherwise fails to perform any Seller representations, warranties, covenants, and/or obligations contained in this Agreement. Upon occurrence of Seller's default, Buyer may elect to terminate this Agreement and have the Earnest Money returned to Buyer as Buyer's sole and exclusive remedy; Buyer will not be entitled to any other rights or remedies due to Seller's default other than as specified under this Section 9.2.1.

9.2.2 Subject to the terms and conditions contained in this Agreement, Buyer will be in default under this Agreement if Buyer breaches and/or otherwise fails to perform any Buyer representations, warranties, covenants, and/or obligations contained in this Agreement, time of payment and performance being of the essence. If Buyer breaches and/or otherwise fails to perform any Buyer representations, warranties, covenants, and/or obligations contained in this Agreement, time of payment and performance being of the

essence, Seller will have the right to immediately terminate this Agreement and retain the Earnest Money as liquidated damages (and require immediate payment of all then unpaid Earnest Money) and neither party thereafter will have any further rights or obligations with respect to the Transaction, Property, and/or the other party except for any claims Seller may have against Buyer under Section 5.3.2 and/or Section 9.4. Seller and Buyer acknowledge and agree that in the event of Buyer's default under this Agreement it will be difficult to determine the amount of Seller's actual damages and that if Seller elects to retain the Earnest Money as liquidated damages, the amount thereof is a reasonable forecast of the actual damages that Seller could be expected to suffer as a result of Buyer's default. Notwithstanding anything contained in this Agreement to the contrary, Seller's termination of this Agreement will not preclude Seller from pursuing a claim for indemnification under Section 5.3.2 and/or Section 9.3.

9.2.3 Prior to declaring a party in default under this Agreement, the non-defaulting party will provide the alleged defaulting party prior written notice of the alleged default (the "Default Notice"), which Default Notice will specify with reasonable particularity the default the non-defaulting party believes exists. Commencing on the alleged defaulting party's receipt of the Default Notice, the alleged defaulting party will have ten (10) days within which to cure or remedy the alleged default(s) (the "Cure Period"). Notwithstanding anything contained in this Agreement to the contrary, no Default Notice will be required to be provided by Seller to Buyer if Buyer fails to timely pay the Earnest Money and/or the Purchase Price.

9.3 Release and Indemnification. Buyer releases and will defend, indemnify, and hold Seller and each Seller Representative harmless for, from, and against all Damages resulting from or arising out of, whether directly or indirectly, the following: (a) Buyer's occupancy, possession, development, repair, maintenance, improvement, ownership, and/or use of the Property; (b) the exercise of any remedy available to Seller under this Agreement; (c) any inaccuracy of any Buyer representation, warranty, and/or covenant made in this Agreement; (d) Damages which may be assessed against Seller by federal and/or state governmental authorities due to Buyer and/or Buyer's Representatives activities on or about the Property involving the use, storage, handling, transportation, treatment, disposal, and/or release of any Hazardous Substances; and/or (e) Buyer's breach and/or failure to perform any Buyer representation, warranty, covenant, and/or obligation contained in this Agreement. Buyer's indemnification covenants contained in this Section 9.3 will not merge with or into the Deed but will survive the Closing.

10. Miscellaneous.

10.1 Statutory Warning. **THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.**

10.2 Expenses; Notices. Except as otherwise provided in this Agreement, each party will bear the party's own fees, costs, and expenses incurred in connection with the Transaction, including, without limitation, the preparation, negotiation, signing, and performance of this Agreement and the other agreements and documents relating to the Transaction. Any notice required under this Agreement must be in writing. Any notice

will be deemed given when personally delivered or delivered by email or facsimile transmission (with electronic confirmation of delivery), or will be deemed given three business days following delivery of the notice by U.S. mail, postage prepaid, certified, return receipt requested, by the applicable party to the address of the other party first shown above (or any other address that a party may designate by notice to the other party), unless that day is a Saturday, Sunday, or legal holiday, in which event it will be deemed given on the next following business day.

10.3 Time of Essence; No Assignment; Binding Effect. Time is of the essence with respect to all dates and time periods in this Agreement. Neither party may assign or delegate any of the party's rights or obligations under this Agreement to any person without the prior written consent of the other party. Subject to the immediately preceding sentence, this Agreement will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit. Notwithstanding anything contained in this Agreement to the contrary, this Agreement will not be construed to create third party beneficiary rights or remedies in any party whatsoever.

10.4 Amendment; Waiver; Severability; Attorney Fees. This Agreement may be amended only by a written document signed by both parties. No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. A party's waiver of a breach of a provision of this Agreement will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired. If any arbitration, action, suit, or proceeding is instituted to interpret, enforce, or rescind this Agreement, or otherwise in connection with the subject matter of this Agreement, including, without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's attorney fees and other fees, costs, and expenses of every kind, including, without limitation, the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, action, suit, or proceeding, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

10.5 Further Assurances; Termination; Survival; Joint and Several. The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement. Except as otherwise provided under this Agreement, the termination of this Agreement, regardless of how it occurs, will not relieve a party of obligations that have accrued before the termination. If the Closing occurs, Seller's representations, warranties, covenants, and other obligations contained in this Agreement and all Transaction Documents will survive the Closing and will not merge with or into the Deed.

10.6 Attachments; Governing Law. Any exhibits, schedules, and other attachments referenced in this Agreement are part of this Agreement. This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement. Any action, suit, or proceeding arising out of the subject matter of this Agreement will be litigated in courts located in Grant County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Grant County, Oregon. This Agreement may be signed in counterparts. A fax or email transmission of a signature page will be considered an original signature page.

10.7 Entire Agreement; Interpretation. This Agreement contains the entire understanding of the parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Agreement. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The titles, captions, or headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. If a date for performance of an obligation or delivery of any notice hereunder falls on a day other than a business day, the date for such performance or delivery of such notice will be postponed until the next

ensuing business day. For purposes of this Agreement, a “business day” means a normal working day (i.e., Monday through Friday of each calendar week, exclusive of Federal and state holidays and one day following each of Thanksgiving, Christmas, and New Year’s); the term “person” means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be binding and effective for all purposes as of the Effective Date.

SELLER:

City of John Day,
an Oregon municipal corporation

By: _____

Dated: _____

BUYER:

Oregon Telephone Corporation,
an Oregon corporation d/b/a Rally Networks

By: _____

Dated: _____

Appendix A
Definitions

“Agreement” has the meaning assigned to such term in the preamble.

“Building” has the meaning assigned to such term in Recital A.

“Buyer” has the meaning assigned to such term in the preamble.

“Certificate” has the meaning assigned to such term in Section 6.1.2.

“Closing” means the closing of the Transaction.

“Closing Date” means the date on which the Closing takes place.

“Contingency Period” has the meaning assigned to such term in Section 5.3.3.

“Cure Period” has the meaning assigned to such term in Section 9.2.3.

“Damage(s)” means all claims, actions, proceedings, damages, liabilities, obligations, costs, attorney fees, and expenses of every kind or nature, including, without limitation, environmental response, removal, and/or remediation costs and expenses, whether known or unknown.

“Deed” means a statutory warranty deed conveying the Property to Buyer free and clear of all Encumbrances except the Permitted Encumbrances, which Deed will be in form and substance satisfactory to Buyer.

“Default Notice” has the meaning assigned to such term in Section 9.2.3.

“Drop-Dead Date” means November 30, 2024.

“Due Diligence Period” has the meaning assigned to such term in Section 5.2.1.

“Earnest Money” means \$10,000.00.

“Effective Date” means the date upon which this Agreement is fully executed by the parties.

“Encumbrance(s)” means any lien, mortgage, pledge, security interest, reservation, restriction, adverse claim, or other encumbrance.

“Environmental Law(s)” means 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 or designed to minimize, prevent, punish, or remedy the consequences of actions that damage or threaten the environment or public health and safety, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§9601 et seq., ORS 468B.195-197 (including any regulations promulgated thereunder), the Hazardous Materials Transportation Act, 49 U.S.C. §§1801 et seq., and the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq.

“Hazardous Substance(s)” means any hazardous, toxic, infectious, or radioactive substance, waste, or material as defined, controlled, or listed by any Environmental Law, including, without limitation, petroleum oil and its fractions.

"Law(s)" means all federal, state, and local laws, statutes, ordinances, codes, regulations, orders, rules, covenants, conditions, easements, declarations, leases, liens, and/or restrictions directly or indirectly affecting or concerning the ownership, use, condition, maintenance, leasing, and/or operation of all or any part of the Property, including, without limitation, all Environmental Laws.

"Notice of Removal" has the meaning assigned to such term in Section 5.1.2.

"Notice of Unpermitted Encumbrances" has the meaning assigned to such term in Section 5.1.1.

"Permitted Encumbrance(s)" means with respect to the Property (a) any exception that is disclosed on the Title Report and accepted by Buyer in accordance with Section 5.1, and (b) any lien, mortgage, pledge, security interest, or other encumbrance arising by operation of law for taxes, assessments, or government charges not yet due.

"Property" has the meaning assigned to such term in Recital A.

"Purchase Price" has the meaning assigned to such term in Section 2.1.

"Real Property" has the meaning assigned to such term in Recital A.

"Representative(s)" means each past, present, and future officer, director, shareholder, employee, member, manager, assignee, contractor, agent, and/or authorized representative of the identified party.

"Seller" has the meaning assigned to such term in the preamble.

"Seller Property" has the meaning assigned to such term in Recital A.

"Title Company" means Land Title Company of Grant County, Inc., 145 NE Dayton Street, John Day, Oregon 97845.

"Title Insurance" means a standard coverage ALTA Owner's Policy of title insurance that (a) covers the Property in the amount of the Purchase Price, and (b) does not contain any exception to title unacceptable to Buyer.

"Title Report" has the meaning assigned to such term in Section 5.1.1.

"Transaction" means the purchase and sale of the Property, all as provided in this Agreement.

"Transfer" means the sale, lease, further Encumbrance, sale, and/or other conveyance of the Property.

"Transaction Document(s)" means, individually and collectively, this Agreement, the Deed, and all other transaction documents referenced therein.

"Unpermitted Encumbrance(s)" has the meaning assigned to such term in Section 5.1.1.

Exhibit A
Legal Description

The Property is legally described as follows:

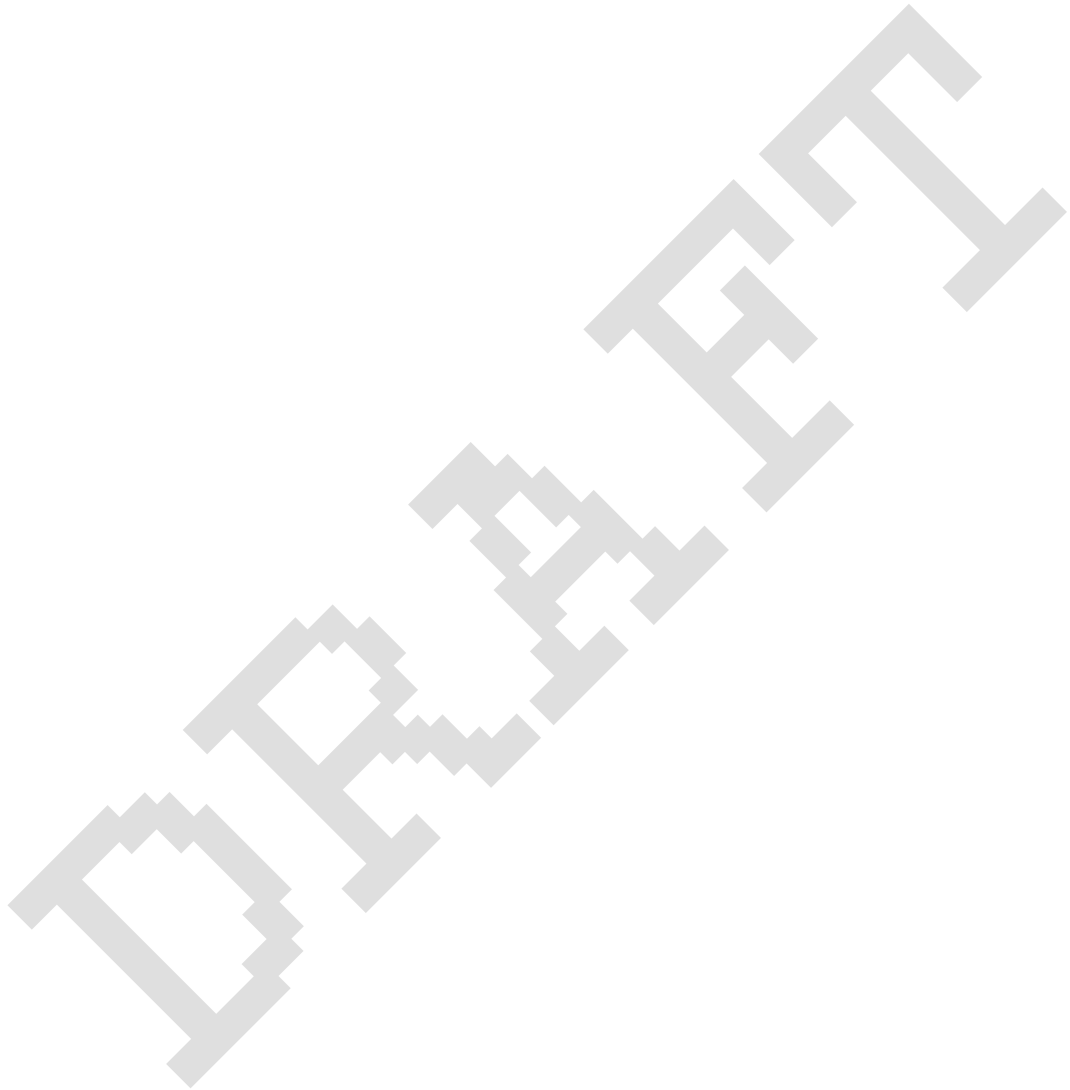
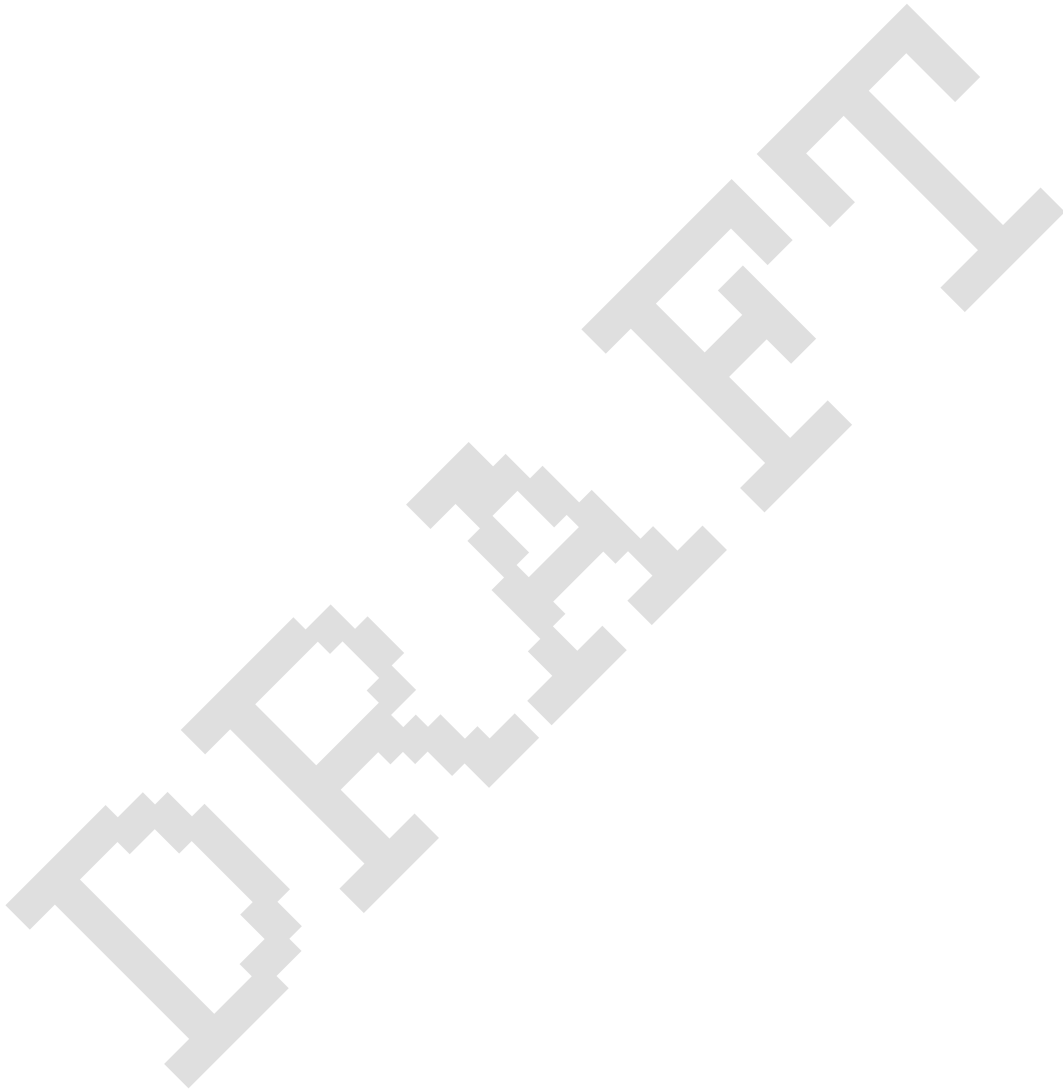


Exhibit B
Property Depiction

[attached]





401 N Canyon City Blvd • Canyon City, OR, 97820-6111
Phone: (541) 575-1280 • FAX: (541) 575-3614

September 18, 2024

Dear [Insert Government Entity Here],

We are writing today to express our concerns regarding the imminent closure of Malheur Lumber and the subsequent economic impact on our community. As a vital component of our local economy, the Malheur Lumber closure presents a significant challenge with far-reaching implications impacting John Day, Canyon City, Mt. Vernon, Seneca and the rest of Grant County.

Malheur Lumber has been a cornerstone of our community for 41 years, providing employment and contributing to the economic stability of our region. Malheur Lumber has stated economic challenges, including housing availability, workforce availability, and geographic isolation as contributors to the closure. It should be noted that Malheur Lumber and other mills in the area are not in direct competition, and we believe that all contributors to the natural resources and forestry industries create a healthy region and the more sustainable jobs that can be supported, the better for our community.

The closure of this facility will have several substantial effects:

1. **Job Losses:** A recent analysis from the State of Oregon Employment Department reported that the mill supports 76 direct jobs and 106 indirect jobs. The estimated annual total economic impact of this closure would be over \$58 million in Grant County. In a county of just over 7,200 that is substantial as compared to a larger county in other areas of the state. We estimate those losses to contribute to roughly \$725,000 annual revenue loss for the school district which will have a direct impact on class size and program availability.
2. **Economic Multiplier Effects:** The mill supports a network of local businesses, including suppliers, service providers, and retail establishments. The expected decrease in revenue for these businesses is reflected in the total economic impact of \$58 million due to reduced demand from the mill and its employees. The economic multiplier effect means that the impact of these lost revenues can extend throughout the community and affect downtown businesses, the public sector, healthcare, schools, and other services that could lead to further job losses.
3. **Decrease in Local Tax Revenue:** The mill contributes significantly to local and regional tax revenues. Its closure will lead to a reduction in these funds, which are crucial for maintaining public services such as schools, healthcare, and infrastructure. The decreased revenue may necessitate budget cuts or increased taxes in other areas, placing additional strain on residents.
4. **Long-Term Economic Shifts:** The closure may prompt a re-evaluation of the local economy's structure. While efforts to attract new businesses or industries can mitigate some impacts, the transition period may be challenging. The community will need support to adapt and re-skill workers to new opportunities.

Our goal is to shed light on the overall impact and need for the community to come together to find a solution. As a community we have lost mills before and survived. This is different. Without action we could find a severe drop in population leading to long-term impacts on community partners and services.

The closure of Malheur Lumber represents a significant turning point for our community. **Community -** (We ask that you contact your local leadership, state and federal legislators and let it be heard that the closure is detrimental to the health and vitality of our community and our way of life). We are hopeful, with collective effort, our community can navigate this challenging period and emerge stronger. **Political Leadership -** (We ask that as leaders, you work diligently and collaboratively to create a solution that is beneficial for our local community and the health of our forests.) We remain hopeful, with collective effort, a solution can be found that supports the economy in Grant County.

Sincerely,

Will Blood,
Grant SD #3 Board Chair

Board of Directors:

*Kris Beal | M.T. Anderson | Amy Charette, Vice Chair | Chris Labhart | Zac Bailey | Will Blood, Chair | Jake Taylor
Superintendent: Mark W. Witty | Website: <https://www.grantschooldistrict.org/>*



Contact Information: Gail Krumenauer
 State Employment Economist
 (971) 301-3771
Gail.K.Krumenauer@employ.oregon.gov

Economic Impacts of Sawmill Closure in Grant County

This statement relates to an economic impact analysis of the announced closure of the Malheur Lumber Company in John Day. Estimates are derived using a 2022 IMPLAN model (adjusted to 2024 prices) of Grant County. The analysis was conducted using IMPLAN (IMPact Analysis for PLANing), a widely used input-output modeling software program (IMPLAN.com).

The economic and employment multipliers created using the model reflect the general business and consumer spending patterns in the study area, and do not reflect this specific establishment. The number of jobs reported is on an annualized basis. The direct employment impact is based on an estimated loss of 76 jobs, as published in the Blue Mountain Eagle on July 23, 2024.

The total job impacts from the closure of a sawmill in Grant County include the direct effect of the jobs lost at the mill itself, in this case 76 jobs. Indirect negative impacts, estimated at 106 jobs, also occur as the closure results in fewer purchases from suppliers to the mill. The largest indirect effects are estimated in commercial logging and support activities for agriculture and forestry. In addition, negative induced effects occur from reduced household spending on locally produced goods and services by workers who lost their jobs. These varying effects add up to a total, negative impact of 207 jobs and \$58.1 million in the county.

Estimated Economic Impact of Sawmill Closure in Grant County, 2024

	Job Impacts	Labor Income Impacts	Total Economic Impacts
Direct Employment and Income (Establishment Closure)	- 76	-\$4,469,679	-\$38,201,361
Indirect Employment and Income (Decreased Purchases from Local Suppliers)	- 106	- 5,633,913	- \$16,246,306
Induced Employment and Income (Decreased Payroll Spending by Households)	- 25	- \$860,226	- \$3,604,787
Total Employment and Income	- 207	- \$10,963,818	- \$58,052,454

Source: Oregon Employment Department using 2022 IMPLAN model and information from Blue Mountain Eagle

**CITY OF JOHN DAY
JOHN DAY, OREGON**

Budget Categories Review - August 2024

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>REMAINING</u>	<u>% REMAIN</u>
<u>UNPAID COMP FUND</u>				
Personal Services	138,959	18,893	120,066	86.40%
<u>WATER FUND</u>				
Current Revenues	756,992	151,242	605,750	80.02%
Personnel Services	290,433	29,454	260,979	89.86%
Materials & Services	307,650	46,889	260,761	84.76%
Capital Outlay	249,409	104	249,305	99.96%
Interfund Transfer	377,412	-	377,412	100.00%
Debt Service	237,750	-	237,750	100.00%
Unappropriated Fund Balance	365,296	-	365,296	100.00%
Contingency	150,000	-	150,000	100.00%
<u>SEWER FUND</u>				
Current Revenues	8,255,291	129,947	8,125,344	98.43%
Personnel Services	467,909	50,250	417,659	89.26%
Materials & Services	259,000	41,320	217,680	84.05%
Capital Outlay	6,947,235	7,763	6,939,472	99.89%
Debt Service	104,800	-	104,800	100.00%
Interfund Transfer	75,000	-	75,000	100.00%
Contingency	30,000	-	30,000	100.00%
<u>URBAN RENEWAL AGENCY</u>				
Current Revenues	1,018,000	744	1,017,256	99.93%
Materials & Services	198,814	13,133	185,681	93.39%

**CITY OF JOHN DAY
JOHN DAY, OREGON**

Budget Categories Review - August 2024

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>REMAINING</u>	<u>% REMAIN</u>
<u>GENERAL</u>				
<u>ADMINISTRATIVE DEPARTMENT</u>				
Current Revenues	\$ 2,939,786	\$ 31,970	\$ 2,907,816	98.91%
Personal Services	102,621	7,963	94,658	92.24%
Materials and Services	311,500	41,418	270,082	86.70%
Capital Outlay	1,497,000	1,620	1,495,380	99.89%
Transfers	961,059	-	961,059	100.00%
<u>FIRE DEPARTMENT</u>				
Current Revenues	134,729	10,335	124,394	92.33%
Personal Services	48,918	6,921	41,997	85.85%
Materials and Services	178,750	11,896	166,854	93.34%
Capital Outlay	5,000		5,000	100.00%
Transfers	67,992		67,992	100.00%
<u>STREET FUND</u>				
Current Revenues	311,000	22,891	288,109	92.64%
Personnel Services	260,492	17,945	242,547	93.11%
Materials & Services	168,800	29,395	139,405	82.59%
Capital Outlay	30,000	135	29,865	99.55%
Interfund Transfer	40,000	-	40,000	100.00%
Operating Contingency	125,312	-	125,312	100.00%
<u>IT FUND</u>				
Current Revenues	250,000	-	250,000	100.00%
Personal Services	4,350	-	4,350	100.00%
Materials and Services	19,260	3,715	15,545	80.71%
Transfers	66,586	-	66,586	100.00%
<u>DEBT SERVICE FUND</u>				
Current Revenues	56,700	476	56,224	99.16%
Debt Service	56,500		56,500	100.00%
Unappropriated Fund Balance	33,823	-	33,823	100.00%
<u>COMMUNITY DEVELOPMENT FUND</u>				
Current Revenues	155,059	13,306	141,753	91.42%
Personal Services	43,279	3,099	40,180	92.84%
Materials and Services	69,050	9,186	59,864	86.70%
Debt Service	21,300	-	21,300	100.00%
<u>MOTORPOOL FUND</u>				
Current Revenues	160,500		160,500	100.00%
Personal Services	100,689	10,106	90,583	89.96%
Materials & Services	76,800	2,272	74,528	97.04%
Capital Outlay	166,112	-	166,112	100.00%
<u>MOTORPOOL FUND - FIRE</u>				
Current Revenues	34,910		34,910	100.00%
Materials & Services	45,000	600	44,401	98.67%
Capital Outlay	23,570		23,570	100.00%

Select Detail of Accounts

Aug-24

John Day

Budget to Actual

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>REMAINING</u>	<u>% REMAIN</u>
<u>LEGAL</u>				
General Fund	\$ 50,000	\$ 11,235	\$ 38,765	77.53%
General Fund - Fire Department	1,000	600	400	40.00%
Water Fund	10,000	3,995	6,005	60.05%
Sewer Fund	12,000	6,625	5,375	44.79%
Street Fund	9,000	1,289	7,711	85.68%
IT Fund	4,000	940	3,060	76.50%
Community Development Fund	5,000	120	4,880	97.60%
<u>City Total</u>	<u>91,000</u>	<u>24,805</u>	<u>66,195</u>	<u>72.74%</u>
Urban Renewal Agency	25,000	770	24,230	96.92%
<u>Grand Total</u>	<u>\$ 116,000</u>	<u>\$ 25,575</u>	<u>\$ 90,425</u>	<u>77.95%</u>
<u>PROFESSIONAL SERVICES</u>				
General Fund	\$ 40,000	\$ 3,410	\$ 36,590	91.47%
Water Fund	25,000	3,583	21,418	85.67%
Sewer Fund	20,000	3,373	16,628	83.14%
Street Fund	15,000	1,783	13,217	88.11%
IT Fund	3,000	2,562	438	14.60%
Community Development Fund	17,000	6,644	10,356	60.91%
<u>City Total</u>	<u>120,000</u>	<u>21,355</u>	<u>98,645</u>	<u>82.20%</u>
Urban Renewal Agency	10,000	739	9,261	92.61%
<u>Grand Total</u>	<u>\$ 130,000</u>	<u>\$ 22,094</u>	<u>\$ 107,906</u>	<u>83.00%</u>