

**ADAIR VILLAGE CITY COUNCIL-Final**  
**City Hall - 6030 Wm. R Carr Av.**  
**\*\*\*\*Tuesday, September 2, 2025 - 6:00pm\*\*\*\***

**1. ROLL CALL – Flag Salute**

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

- a. Minutes – City Council Meeting – August 13, 2025
- b. Bills List through – August 31, 2025 (Attachment B)

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

**4. STAFF REPORTS:**

- a) Sheriff's Report (Attachment C) Pat Hare
- b) CSO Report (Attachment D) Pat Hare
- c) City Administrator (Attachment E) Pat Hare
- d) Public Works Report (Attachment F) Pat Hare
- e) Financial Report (Attachment G) Pat Hare

**5. OLD BUSINESS:**

- a) Northwest Natural Franchise Agreement (Attachment H) Pat Hare/Sean Kidd  
**Action:** Decision
  
- b) Market and Restaurant Lease (Attachment I) Pat Hare/Sean Kidd  
**Action:** Decision

**6. NEW BUSINESS:**

- a) N/A  
**Action:** n/a

**7. ORDINANCES, RESOLUTIONS, AND PROCLAMATIONS:**

- a) N/A  
**Action:** n/a

**8. EXECUTIVE SESSION**

- a) N/A  
**Action:** n/a

**9. COUNCIL and MAYOR COMMENTS:**

**10. ADJOURNMENT:**

Next meetings -

City Council –Tuesday, October 7, 2025, 6:00 pm  
Planning Commission – September 16, 2025, 6:00 pm

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

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

**ADAIR VILLAGE  
CITY COUNCIL MINUTES- Draft  
6030 William R. Carr Avenue  
\*\*\*\*Wednesday, August 13, 2025 – 6:00 PM\*\*\*\***

Agenda Item	Action
<p><b>1. Roll Call:</b> City Council Members present: Councilors Ray, Sisler, Officer, and Wilson. Mayor Currier was present by phone. City Administrator Hare was present. The minutes were taken by CA Hare.</p>	<p>Mayor Pro Temp Ray called the meeting to order at 6:00 p.m. and led the flag salute.</p>
<p><b>2. Consent Calendar</b> Attachment A Minutes of the July 1, 2025, City Council Meeting Attachment B Bills List through July 30, 2025 (\$351,315.95).</p>	<p>Councilor Wilson moved to approve the Consent Calendar. Councilor Sisler seconded. <b>Unanimous Approval (4-0).</b></p>
<p><b>3. Public Comment</b></p>	<p>None.</p>
<p><b>4. Staff Reports</b> <b>4a. Attachment C – Sheriff’s Report</b> - CA Hare presented the report.</p>	<p>Council received the report.</p>
<p><b>4b. Attachment D– CSO Report</b> - CA Hare presented the report.</p>	<p>Council received the report.</p>
<p><b>4c. Attachment E– City Administrator’s Report</b> <b>Administration</b> <b>Finances:</b> The city is still actively working on the 2024 audit. We are currently responding to listed item requests from the auditors, and we anticipate completion of the audit within the next month or two. Progress has been steady and is going well. <b>Tangent Partnership:</b> The agreement with the City of Tangent has been finalized for the upcoming year. We are also in discussions about adding a few additional services to the agreement, which may lead us to consider hiring an additional full-time Public Works employee depending on the workload. <b>Frontage Road:</b> I have been in discussions with ODOT and will be meeting with them to explore the possibility of transferring ownership of the frontage road to the city. I will provide updates as those conversations progress. <b>Property &amp; Business</b> <b>Good Grounds:</b> I met with Susan recently regarding the failure of the air conditioning unit at the shop. The estimated replacement cost is approximately \$16,000. They are currently working on permits for installation. This repair raises broader questions about the lease terms and associated costs, which we will need to address. <b>Store &amp; Restaurant:</b> The store experienced a minor HVAC issue, which was resolved for under \$1,000. During that time, I spoke with Paul, who is exploring selling the businesses. An interested party has</p>	<p>Council received the report.</p>

<p>contacted me, and we may need to consider the City's long-term plans for the property and review any new lease agreement proposals from potential new tenants.</p> <p><b>Interpretive Center:</b> The project continues to go well. Sheetrock installation is complete, and the team is steadily making progress. The center is on track to be ready in time for Founders Day.</p> <p><b>Founders Day:</b> A reminder that Founders Day is this weekend. Staff have worked very hard to organize the event, and it promises to be a great celebration. We hope to see everyone there.</p> <p><b>Major Projects &amp; Engineering</b></p> <p><b>Wastewater System:</b> With the \$4 million in funding, we are evaluating our approach to expanding wastewater capacity. Discussions with Civil West are ongoing as we consider whether to pursue a full build-out or focus on increasing capacity through expansion or an additional lagoon.</p> <p><b>Calloway Creek Development:</b> Phase 5 is wrapping up, and infrastructure work for Phase 6 is already underway. We expect the developer to submit plans for Phase 7 next month. The project continues to move forward smoothly.</p> <p><b>Calloway Creek Trail System:</b> Work on the trail system is scheduled to begin next month. This is an exciting addition to our community amenities, and we're looking forward to its progress.</p> <p><b>Water Infrastructure:</b> We are working with Civil West and NorthCore to replace approximately 10 to 12 service lines in the north section of the city. Additionally, we are pursuing funding opportunities for a new backwash pump to support our water treatment operations.</p>	
<p><b>4d. Attachment F – Public Works Report</b> CA Hare presented the report.</p>	<p>Council received the report.</p>
<p><b>4e. Attachment G – Financial Report</b> CA Hare presented the report. The balance in the Local Government Investment Pool is approximately \$4,159,351.02. Last year at this time, the balance was \$4,130,182.92.</p>	<p>Council received the report.</p>
<p><b>5. Old Business –</b> <b>5a. AVIS Agreement GP/Office Max (Attachment H)</b></p>	<p>Council received the report.</p>
<p><b>6. New Business</b> <b>6a. ODOT Smal City Allotment (Attachment I)</b> <b>6b. Northwest Natural Franchise Agreement (Attachment J)</b></p>	<p>Council received the report. Council received the report.</p>
<p><b>7. Ordinance, Resolutions, and Proclamations</b></p>	
<p><b>8. Executive Session- N/A</b></p>	
<p><b>9. Council and Mayor Comments</b></p>	

**10. Adjournment:**

City Council –Tuesday, Sept. 2, 2025, 6:00 p.m.

Planning Commission – Tuesday, Sept. 16, 2025 6:00 p.m.

Mayor Pro Temp Ray adjourned  
the meeting at 7:39 p.m.

**August 2025 Bills**

**Date**  
8/13/2025

**Amount**  
\$89,908.67

**Total**

**\$89,908.67**

Invoice Number	Sequence Number	Description	Type	Invoice Date	Due Date	Invoice Amount	Discount Amount	Net Invoice Check Amount	GL Account Number
<b>150 A &amp; B Septic</b>									
68166	1	Work for Tangent	Invoice	07/02/2025	08/01/2025	2,896.00		2,896.00	100-900-52115
Total 68166:						2,896.00	.00	2,896.00	
68218	1	Work for Tangent	Invoice	07/08/2025	08/07/2025	1,485.00		1,485.00	100-900-52115
Total 68218:						1,485.00	.00	1,485.00	
68385	1	Work for Tangent	Invoice	07/22/2025	08/21/2025	160.00		160.00	100-900-52115
Total 68385:						160.00	.00	160.00	
68414	1	Work for Tangent	Invoice	07/25/2025	08/25/2025	200.00		200.00	100-900-52115
Total 68414:						200.00	.00	200.00	
68434	1	Work for Tangent	Invoice	07/28/2025	08/27/2025	1,695.00		1,695.00	100-900-52115
Total 68434:						1,695.00	.00	1,695.00	
68456	1	Work for Tangent	Invoice	07/29/2025	08/28/2025	200.00		200.00	100-900-52115
Total 68456:						200.00	.00	200.00	
68477	1	Work for Tangent	Invoice	07/30/2025	08/29/2025	200.00		200.00	100-900-52115
Total 68477:						200.00	.00	200.00	
68495	1	Work for Tangent	Invoice	07/31/2025	08/30/2025	1,450.00		1,450.00	100-900-52115
Total 68495:						1,450.00	.00	1,450.00	
Total 150 A & B Septic:						8,286.00	.00	8,286.00	20790
<b>640 Auto Zone</b>									
02217169407	1	Gloves	Invoice	08/05/2025	08/30/2025	29.98		29.98	510-430-52002
Total 02217169407:						29.98	.00	29.98	
Total 640 Auto Zone:						29.98	.00	29.98	20791
<b>690 Bank of America</b>									
072325	1	Credit Card Charges	Invoice	07/23/2025	08/19/2025	4,797.50		4,797.50	100-000-28000
Total 072325:						4,797.50	.00	4,797.50	
Total 690 Bank of America:						4,797.50	.00	4,797.50	20792
<b>720 Bark Place Inc.</b>									
511080	1	Bark	Invoice	08/04/2025	08/15/2025	286.00		286.00	100-300-52002
Total 511080:						286.00	.00	286.00	
Total 720 Bark Place Inc.:						286.00	.00	286.00	20793

Invoice Number	Sequence Number	Description	Type	Invoice Date	Due Date	Invoice Amount	Discount Amount	Net Invoice Check Amount	GL Account Number
<b>890 Best Pots Inc</b>									
I589677	1	Contract Services	Invoice	07/30/2025	08/09/2025	106.64		106.64	500-420-52019
Total I589677:						106.64	.00	106.64	
Total 890 Best Pots Inc:						106.64	.00	106.64	✓ 20794
<b>1300 Cascade Columbia Distribution</b>									
930307	1	Chemicals	Invoice	07/31/2025	09/30/2025	3,918.00		3,918.00	500-420-52001
Total 930307:						3,918.00	.00	3,918.00	
Total 1300 Cascade Columbia Distribution:						3,918.00	.00	3,918.00	✓ 20795
<b>1340 Caselle Inc.</b>									
INV-09675	1	Monthly Software Hosting Fees	Invoice	08/01/2025	08/30/2025	904.50		904.50	500-420-52114
INV-09675	2	Monthly Software Hosting Fee	Invoice	08/01/2025	08/30/2025	603.00		603.00	100-900-52114
INV-09675	3	Monthly Software Hosting Fee	Invoice	08/01/2025	08/30/2025	301.50		301.50	510-430-52114
INV-09675	4	Monthly Software Hosting Fee	Invoice	08/01/2025	08/30/2025	100.50		100.50	200-410-52114
INV-09675	5	Monthly Software Hosting Fee	Invoice	08/01/2025	08/30/2025	100.50		100.50	520-440-52114
Total INV-09675:						2,010.00	.00	2,010.00	
Total 1340 Caselle Inc.:						2,010.00	.00	2,010.00	✓ 20796
<b>1610 Civil West Engineering Services Inc</b>									
1001.001D.007	1	Engineering Consultant	Invoice	08/01/2025	08/30/2025	814.00		814.00	500-420-52020
1001.001D.007	2	Engineering Consultant	Invoice	08/01/2025	08/30/2025	1,800.75		1,800.75	510-430-52020
1001.001D.007	3	Engineering Consultant	Invoice	08/01/2025	08/30/2025	3,551.00		3,551.00	100-900-52020
1001.001D.007	4	Engineering Consultant	Invoice	08/01/2025	08/30/2025	114.90		114.90	100-900-52020
Total 1001.001D.007:						6,280.65	.00	6,280.65	
1001.028.057	1	Engineering Consultant	Invoice	08/01/2025	08/30/2025	508.00		508.00	510-430-52020
Total 1001.028.057:						508.00	.00	508.00	
1001.032.049	1	Engineering Consultant	Invoice	08/01/2025	08/30/2025	601.50		601.50	500-420-53503
Total 1001.032.049:						601.50	.00	601.50	
1001.033.007	1	Engineering Consultant	Invoice	08/01/2025	08/30/2025	17,618.10		17,618.10	500-420-52020
Total 1001.033.007:						17,618.10	.00	17,618.10	
1001.034.006	1	Engineering Consultant	Invoice	08/01/2025	08/30/2025	8,185.00		8,185.00	510-430-52020
Total 1001.034.006:						8,185.00	.00	8,185.00	
1001.035.002	1	Engineering Consultant	Invoice	08/01/2025	08/30/2025	90.50		90.50	100-300-53004
Total 1001.035.002:						90.50	.00	90.50	
Total 1610 Civil West Engineering Services Inc:						33,283.75	.00	33,283.75	✓ 20797
<b>7507 Dealightful Family Entertainment</b>									
08182025-1	1	Founder's Day Face Painting/ Ballo	Invoice	08/06/2025	08/16/2025	650.00		650.00	100-300-52111

Invoice Number	Sequence Number	Description	Type	Invoice Date	Due Date	Invoice Amount	Discount Amount	Net Invoice Check Amount	GL Account Number
Total 08162025-1:						650.00	.00	650.00	
Total 7507 Dealightful Family Entertainment:						650.00	.00	650.00	✓20798
<b>2300 Delapoe Kidd Attorneys at Law</b>									
2141	1	General City matters	Invoice	08/01/2025	08/31/2025	218.75		218.75	100-900-52017
Total 2141:						218.75	.00	218.75	
Total 2300 Delapoe Kidd Attorneys at Law:						218.75	.00	218.75	✓20799
<b>2520 Eurofins Environment Testing NW, LLC</b>									
25-23868	1	Lab Analysis	Invoice	08/01/2025	08/15/2025	45.00		45.00	500-420-52104
Total 25-23868:						45.00	.00	45.00	
Total 2520 Eurofins Environment Testing NW, LLC:						45.00	.00	45.00	✓20800
<b>2960 GSI Water Solutions Inc</b>									
00400.004-9	1	Water Management and Conservati	Invoice	08/12/2025	09/12/2025	1,375.80		1,375.80	500-420-52019
Total 00400.004-9:						1,375.80	.00	1,375.80	
Total 2960 GSI Water Solutions Inc:						1,375.80	.00	1,375.80	✓20801
<b>7534 Honeybrine Catering</b>									
89177-000309	1	Founder's Day	Invoice	07/21/2025	08/30/2025	2,000.00		2,000.00	100-300-52111
Total 89177-000309:						2,000.00	.00	2,000.00	
Total 7534 Honeybrine Catering:						2,000.00	.00	2,000.00	✓20802
<b>4240 Matt Lydon</b>									
081125	1	Reimbursement for Water Parts	Invoice	08/11/2025	09/01/2025	44.17		44.17	500-420-52002
Total 081125:						44.17	.00	44.17	
Total 4240 Matt Lydon:						44.17	.00	44.17	✓20803
<b>7540 Mill Creek Heating LLC</b>									
93776582	1	Coffee Shop Unit	Invoice	07/23/2025	08/23/2025	7,922.00		7,922.00	100-900-52012
Total 93776582:						7,922.00	.00	7,922.00	
Total 7540 Mill Creek Heating LLC:						7,922.00	.00	7,922.00	✓20805
<b>7524 My Bridge Team, Inc.</b>									
INV-000075	1	Admin	Invoice	08/04/2025	08/30/2025	3,785.60		3,785.60	100-100-52019
INV-000075	2	Admin	Invoice	08/04/2025	08/30/2025	473.20		473.20	100-900-52019
INV-000075	3	Storm Drain	Invoice	08/04/2025	08/30/2025	709.80		709.80	520-440-52019
INV-000075	4	Streets	Invoice	08/04/2025	08/30/2025	709.80		709.80	200-410-52019
INV-000075	5	Wastewater	Invoice	08/04/2025	08/30/2025	1,892.80		1,892.80	510-430-52019
INV-000075	6	Water	Invoice	08/04/2025	08/30/2025	1,892.80		1,892.80	500-420-52019
Total INV-000075:						9,464.00	.00	9,464.00	✓20804

Invoice Number	Sequence Number	Description	Type	Invoice Date	Due Date	Invoice Amount	Discount Amount	Net Invoice Check Amount	GL Account Number
Total 7524 My Bridge Team, Inc.:						9,464.00	.00	9,464.00	
<b>7518 Net Assets Corporation</b>									
111-202507	1	Software Hosting Fees	Invoice	08/01/2025	08/15/2025	17.00		17.00	100-900-52114
Total 111-202507:						17.00	.00	17.00	
Total 7518 Net Assets Corporation:						17.00	.00	17.00	✓20807
<b>7545 Norfleet Motorsports</b>									
081325	1	City Four Wheeler	Invoice	08/13/2025	08/30/2025	1,209.15		1,209.15	500-420-52014
081325	2	City Four Wheeler	Invoice	08/13/2025	08/30/2025	1,209.15		1,209.15	510-430-52014
081325	3	City Four Wheeler	Invoice	08/13/2025	08/30/2025	268.70		268.70	100-300-52014
Total 081325:						2,687.00	.00	2,687.00	
Total 7545 Norfleet Motorsports:						2,687.00	.00	2,687.00	✓20808
<b>4670 NW Natural</b>									
072925	1	Utilities	Invoice	07/29/2025	08/15/2025	23.34		23.34	100-900-52109
Total 072925:						23.34	.00	23.34	
Total 4670 NW Natural:						23.34	.00	23.34	✓20809
<b>7544 Old Hickory Sheds</b>									
3365048	1	Shed for Kiddie Park	Invoice	07/19/2025	08/19/2025	4,830.00		4,830.00	100-300-53001 53002
Total 3365048:						4,830.00	.00	4,830.00	
Total 7544 Old Hickory Sheds:						4,830.00	.00	4,830.00	✓20810
<b>4800 One Call Concepts Inc</b>									
5070303	1	OR Utility Notification Center	Invoice	07/31/2025	08/30/2025	20.02		20.02	500-420-52109
5070303	2	OR Utility Notification Center	Invoice	07/31/2025	08/30/2025	20.02		20.02	510-430-52109
Total 5070303:						40.04	.00	40.04	
Total 4800 One Call Concepts Inc:						40.04	.00	40.04	✓20811
<b>7543 Oregon Land Maintenance &amp; Reclamation</b>									
00173	1	Calloway Creek HOA Mowing	Invoice	07/29/2025	08/12/2025	2,500.00		2,500.00	100-300-53004
Total 00173:						2,500.00	.00	2,500.00	
Total 7543 Oregon Land Maintenance & Reclamation:						2,500.00	.00	2,500.00	✓20812
<b>7364 Pacific Office Automation</b>									
590676789	1	Copier	Invoice	07/15/2025	08/15/2025	464.71		464.71	100-900-52022
Total 590676789:						464.71	.00	464.71	
Total 7364 Pacific Office Automation:						464.71	.00	464.71	✓20813
<b>5300 Pacific Power/PacificCorp</b>									
080825	1	Utilities	Invoice	07/26/2025	08/08/2025	3,397.52		3,397.52	500-420-52109

Invoice Number	Sequence Number	Description	Type	Invoice Date	Due Date	Invoice Amount	Discount Amount	Net Invoice Check Amount	GL Account Number
Total 080825:						3,397.52	.00	3,397.52	
Total 5300 Pacific Power/PacificCorp:						3,397.52	.00	3,397.52	✓ 20814
<b>5780 Republic Services #452</b>									
0452-00554364	1	Utilities	Invoice	07/31/2025	08/20/2025	43.77		43.77	100-900-52109
Total 0452-005543640:						43.77	.00	43.77	
0452-00556152	1	Utilities	Invoice	07/31/2025	08/20/2025	41.77		41.77	100-300-52112
Total 0452-005561526:						41.77	.00	41.77	
0452-00556234	1	Utilities	Invoice	07/31/2025	08/20/2025	165.68		165.68	510-430-52109
Total 0452-005562344:						165.68	.00	165.68	
Total 5780 Republic Services #452:						251.22	.00	251.22	✓ 20815
<b>6020 Schaefers Recreation Equipment Co</b>									
156235-1	1	Chemicals	Invoice	07/17/2025	08/10/2025	510.32		510.32	510-430-52001
Total 156235-1:						510.32	.00	510.32	
156646-1	1	Chemicals	Invoice	07/30/2025	08/10/2025	510.32		510.32	510-430-52001
Total 156646-1:						510.32	.00	510.32	
Total 6020 Schaefers Recreation Equipment Co:						1,020.64	.00	1,020.64	✓ 20816
<b>7274 US Bank Equipment Finance</b>									
561692864	1	Canon Copier	Invoice	08/07/2025	08/31/2025	131.00		131.00	100-900-52023
Total 561692864:						131.00	.00	131.00	
Total 7274 US Bank Equipment Finance:						131.00	.00	131.00	✓ 20817
<b>999 Utility Refund</b>									
116402073125	1	Water	Invoice	07/31/2025	08/15/2025	65.17		65.17	500-420-52105
116402073125	2	Wastewater	Invoice	07/31/2025	08/15/2025	43.44		43.44	510-430-52105
Total 116402073125:						108.61	.00	108.61	
Total 999 Utility Refund:						108.61	.00	108.61	✓ 20804
Total :						89,908.67	.00	89,908.67	
Grand Totals:						89,908.67	.00	89,908.67	

Summary by General Ledger Account Number

GL Account Number	Debit	Credit	Net
100-000-28000	4,797.50	.00	4,797.50
100-100-52019	3,785.60	.00	3,785.60
100-300-52002	286.00	.00	286.00
100-300-52014	268.70	.00	268.70
100-300-52111	2,650.00	.00	2,650.00
100-300-52112	41.77	.00	41.77
100-300-53001	4,830.00	.00	4,830.00
100-300-53004	2,590.50	.00	2,590.50
100-900-52012	7,922.00	.00	7,922.00
100-900-52017	218.75	.00	218.75
100-900-52019	473.20	.00	473.20
100-900-52020	3,665.90	.00	3,665.90
100-900-52022	464.71	.00	464.71
100-900-52023	131.00	.00	131.00
100-900-52109	67.11	.00	67.11
100-900-52114	620.00	.00	620.00
100-900-52115	8,286.00	.00	8,286.00
200-410-52019	709.80	.00	709.80
200-410-52114	100.50	.00	100.50
500-420-52001	3,918.00	.00	3,918.00
500-420-52002	44.17	.00	44.17
500-420-52014	1,209.15	.00	1,209.15
500-420-52019	3,375.24	.00	3,375.24
500-420-52020	18,432.10	.00	18,432.10
500-420-52104	45.00	.00	45.00
500-420-52105	65.17	.00	65.17
500-420-52109	3,417.54	.00	3,417.54
500-420-52114	904.50	.00	904.50
500-420-53503	601.50	.00	601.50
510-430-52001	1,020.64	.00	1,020.64
510-430-52002	29.98	.00	29.98
510-430-52014	1,209.15	.00	1,209.15
510-430-52019	1,892.80	.00	1,892.80
510-430-52020	10,493.75	.00	10,493.75
510-430-52105	43.44	.00	43.44
510-430-52109	185.70	.00	185.70
510-430-52114	301.50	.00	301.50
520-440-52019	709.80	.00	709.80
520-440-52114	100.50	.00	100.50
Grand Totals:	89,908.67	.00	89,908.67

*[Handwritten Signature]*  
8/14/25

Summary by General Ledger Posting Period

GL Posting Period	Debit	Credit	Net
07/25	39,666.22	.00	39,666.22
08/25	50,242.45	.00	50,242.45
Grand Totals:	89,908.67	.00	89,908.67

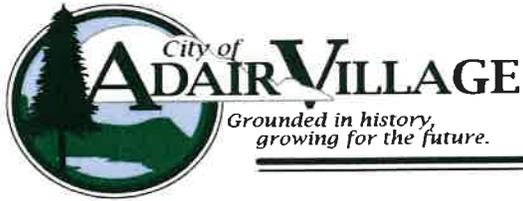
**ADAIR VILLAGE PATROL**  
**July 25, 2025 - August 24, 2025**

**Benton County Sheriff's Office - Adair Patrol Activity Log**

Date/Time	Call #	Total Time	Deputy	Con- tacts	Traffic		Arrests		Notes
					Warn	Cite	Cite	Cust	
<b>Patrol</b>									
072525 08:38:26	2025138409	0:34:37	Macken						No stops
072625 09:53:37	2025139139	2:30:48	Bottorff		4	1			Speed patrol. Stops 5. Warn speed 4. Cite speed 1. This was partially speeding in adair, but main speed occurred outside of city limits when I caught up to him, cite in to circuit court.
072725 00:22:54	2025139610	0:25:29	Bloom						XPAT
072725 01:30:06	2025139641	2:01:52	Young						no activity
072825 11:46:36	2025140432	1:01:41	Lochner						patrolled adair for one hour
072925 02:07:40	2025140925	0:51:31	Young						no activity
072925 07:00:02	2025140988	1:36:29	Bottorff						1.5 hours adair patrol.
072925 09:08:26	2025141041	1:11:45	Lochner						no activity
072925 22:46:19	2025141622	1:59:25	Drongesen						Patrolled neighborhoods, highway, and parks. 1 call-lost dog
073025 12:39:07	2025141943	1:09:00	Lochner						Little over an hour of patrolling Adair, no stops. No criminal activity.
080225 15:10:42	2025144320	2:10:00	Bressler						extra patrol from 1320 to 1530 hours.
080325 05:05:38	2025144732	1:29:04	Young						no activity
080325 12:53:16	2025144904	1:07:06	Macken		1				1 stop 1 warn
080325 19:00:41	2025145105	2:12:42	Hardison	1					PATROLLED CITY STREETS/COUNTY ROADS/HIGHWAY 99W/ADAIR FRONTAGE ROAD/ SCHOOL/ ODFW/ BUSINESSES. ONE CITIZEN CONTACT/ALSO COMPLETED TRAINING.
080425 11:54:46	2025145527	0:57:24	Lochner						no activity
080725 01:48:52	2025147552	0:54:48	Sinclair						no activity
080725 08:44:23	2025147668	1:03:27	Blaser						no activity
080825 09:52:44	2025148464	0:29:53	Macken						No stops
081125 19:00:03	2025150887	3:30:22	Hardison	5	2				PATROLLED CITY STREETS/COUNTY ROADS/HIGHWAY 99W/ODFW/CALLOWAY CREEK/ADAIR COUNTY PARK. 5 CITIZEN CONTACTS/1 TRAFFIC STOP/2 WARNINGS GIVEN.
081225 01:51:41	2025151063	1:01:00	Doty						checked the school, parked, aerodome, ODFW, and some businesses. Did not observe anyone out and about.
081225 08:54:31	2025151185	1:00:35	Glass						no activity
081325 12:19:40	2025151989	1:23:13	Lochner						no activity
081425 00:59:15	2025152432	1:00:00	Gevatosky						1 HOUR
081425 03:16:21	2025152463	1:48:17	Drongesen						Patrol neighborhoods, parks, and highway
081425 10:03:10	2025152612	0:55:37	Bottorff						WORKED ON COMPUTER WHILE RUNNING SPEED RADAR.
081525 22:55:40	2025153954	0:56:53	Sinclair	1					one citizen contact.
081625 11:22:29	2025154244	2:00:43	Blaser						founders day
081725 09:07:39	2025154853	1:07:52	Lochner						no activity
081725 20:24:05	2025155296	1:00:05	Hardison						PATROLLED CITY STREETS/HIGHWAY 99W/COUNTY ROADS.
081825 08:30:09	2025155490	0:48:44	Macken						no stops
081825 23:59:26	2025156102	1:31:50	Lyman		2				Patrolled city streets and parks; 2 traffic stops w/ warnings, 0 cites; 1 AOA w/ Adair Fire for medical
081925 10:01:21	2025156295	1:38:09	Glass						no activity







6030 William R. Carr Ave.  
Adair Village, OR 97330  
541-745-5507  
Fax: 541-230-5219

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## **City Administrator's Report September 2, 2025, Council Meeting**

### **Administration**

#### **Finances**

The city has gotten the budget up to date and the new budget in place. We are still working with Sarah Johnson, our financial consultant, to complete the audit. Councilmembers should expect to begin receiving audit questionnaires as part of that process.

#### **Tangent Partnership**

We have taken on a few new projects in Tangent, including additional parks maintenance and related tasks. This partnership continues to go well.

#### **Frontage Road**

I will be meeting with ODOT this week to discuss the transfer of ownership of the frontage road. Additionally, I will be meeting with ODFW to discuss possibilities for improvements or modifications related to this roadway.

### **Property and Business**

#### **Good Grounds**

The new air conditioner has been installed and is working well. I spoke with Susan regarding concerns about major repairs. She understands our perspective and given that the unit replaced was approximately 20 years old, we do not anticipate further significant expenses moving forward.

#### **Block Building**

A potential buyer from Salem has expressed interest in the block building. I will be meeting with him to discuss a possible purchase and will report back on those discussions.

#### **Entrance Sign**

We have received three quotes for restoring and improving the entrance sign. Work will include resealing, landscaping, and cleaning the brickwork. We anticipate moving forward with this project this month.

#### **Founder's Day**

Founder's Day was a success with a strong turnout. The event was well received, and staff have already begun collecting ideas for further improvements for next year.

#### **Interpretive Center**

Progress continues at the Interpretive Center. The building has been sheet rocked, and texturing and painting are the next steps. They would like to attend our next council meeting to present their budget and plans for moving forward. If you have not visited recently, I am happy to provide a walkthrough.

## **Major Projects and Engineering**

### **Wastewater System**

We have received the award letter for the \$4 million in funding. We are now working with Civil West on engineering options to either expand the existing lagoon or construct an additional lagoon to increase wastewater capacity. This work will also include engineering of the broader system improvements.

### **Callaway Creek Development**

Phase 5 is being wrapped up, while infrastructure for Phase 6 is well underway. A lot line adjustment for Phase 7 has been completed, and they are moving toward platting that phase.

### **Trails and Parks**

Work will begin this month on the Callaway Creek trail system. In addition, we are preparing bid documents for improvements at the park, with the goal of starting construction in the spring.



PUBLIC WORKS  
OPERATIONS AND MAINTENANCE REPORT

PERIOD: 7/20/2025 to 8/20/2025

**WATER USE / DISTRIBUTION REPORT**

**WATER USE REPORT**

Water Produced: N/A

Average Usage per: N/A

**WATER DISTRIBUTION REPORT**

Maintenance Activity: There were three different leaks this month, two in the North section of town and one in Benton County Park. North Core replaced five services last month in the North section of town. North Core will be completing six more in September.

Collected quarterly: 3<sup>rd</sup> quarter samples will be taken in mid-August.

**WASTEWATER TREATMENT REPORT**

Flows into the WWTP are at low summer flows. Staff have completed treatment plant cleaning and are preparing for winter flows.

Total Monthly Influent: 2.1 million Gallons

**STORM WATER COLLECTION SYSTEM REPORT**

Maintenance Activity: Storm drains are clear. Staff check and clean all drains daily.

## **STREETS MAINTENANCE REPORT**

Maintenance: Staff fixed a few different potholes, one in front of city hall and a large one on Laurel Ave.

## **CITY HALL / PARKS AND WETLANDS**

Maintenance Activity: Mowing has slowed slightly with very dry weather. Staff continue to mow weekly. Staff replaced the bark at city hall and did the same for tangent.

## **WATER TREATMENT PLANT**

Maintenance Activity: We are at 60 hours a week of run time. Staff notice one issue with the flow meter and chlorination unit at the plant. Staff have switched the system into manual from auto. Staff received the new parts and hope to have things running normally this month.

## **WASTEWATER TREATMENT PLANT**

Maintenance Activity: The wastewater treatment plant has had no issues. Staff continue to maintain and monitor flows at plant.

Completed by Matt Lydon, Public Works Supervisor

CITY OF ADAIR VILLAGE

ORDINANCE NO. ~~03/04~~ #1

AN ORDINANCE GRANTING A NON-EXCLUSIVE GAS UTILITY FRANCHISE TO NORTHWEST NATURAL GAS COMPANY, AND FIXING TERMS, CONDITIONS AND COMPENSATION OF SUCH FRANCHISE.

THE CITY OF ADAIR VILLAGE ORDAINS AS FOLLOWS:

Section 1. Definitions and Explanations.

1. As used in this ~~e~~Ordinance.
  - a. "Bridge" includes a structure erected within the City to facilitate the crossing of a river, stream, ditch, ravine or other place, but does not include a culvert.
  - b. "City" means the City of Adair Village and the areas within its boundaries, including its boundaries as extended in the future.
  - c. "Council" means the legislative body of the City.
  - d. "Grantee" means the corporation referred to in Section 2 of this ~~e~~Ordinance.
  - e. "Gas ~~m~~Mains" includes all gas transmission and distribution facilities located on or under any ~~s~~Street, ~~b~~Bridge or ~~p~~Public ~~p~~Place within the City.
  - ~~f.~~ "Gross Revenue" means revenue received from the use of the gas utility system within the City limits less related net uncollectibles. Gross Revenue shall be computed by deducting from the total billings of the Grantee the total net writeoff of uncollectible accounts, revenues derived from the sale or transportation of gas supplied under an interruptible tariff schedule, revenues paid directly by the United States of America or any of its agencies, and sales of gas at wholesale by the Grantee to any public utility or public agency where the public utility or public agency purchasing such gas is not the ultimate consumer. Gross Revenue also shall not include public purpose charges, provided that such charges or surcharges are required or authorized by federal or state statute, administrative rule, or by tariff approved by the Oregon Public Utility Commission and the revenue raised from such charges is used solely for the public purpose. Public purpose activities include, but are not limited to, energy efficiency programs, market transformation programs, low-income energy efficiency programs, and carbon offset programs designed to benefit residential and commercial customers within Grantee's service territory in Oregon.
  - ~~g.~~ "Person" includes an individual, corporation, association, ~~form~~firm, partnership and joint stock company.

h.g. "Public **pPlace**" includes any city-owned park, place or grounds within the City that is open to the public but does not include a **sStreet** or **bBridge**.

h. "Street" includes a **sStreet**, alley, avenue, road, boulevard, thoroughfare or public highway within the City, but does not include a **bBridge**.

2. As used in this **eOrdinance**, the singular number may include the plural and the plural number may include the singular.

#### Section 2. Rights Granted.

Subject to the conditions and reservations contained in this **eOrdinance**, the City hereby grants to NORTHWEST NATURAL GAS COMPANY, a corporation, the right, privilege and franchise to:

1. Construct, maintain and operate a gas utility system within the City.
2. Install, maintain and operate on and under the **sStreets** and **bBridges** and **pPublic pPlaces** of the City, facilities for the transmission and distribution of gas to the City and its inhabitants and to other customers and territory beyond the limits of the City; and
3. Transmit, distribute and sell gas.

#### Section 3. Use of Streets, Bridges and Public Places by Grantee.

1. Before the **eGrantee** may use or occupy any **sStreet**, **bBridge** or **pPublic pPlace**, the Grantee shall first obtain permission from the City to do so and shall comply with any special conditions the City desires to impose on such use or occupation.
2. The compensation paid by the Grantee for this **fFranchise** includes all compensation for the use of **sStreets**, **bBridges** and **pPublic pPlaces** located within the City as authorized.

#### Section 4. Duration.

This **fFranchise** is granted for a period of **(twenty (20))** years from and after the **Eeffective dDate** of this **eOrdinance**.

**Commented [SK1]:** Not sure we want to go 20 years here Pat. Lets discuss.

#### Section 5. Franchise Not Exclusive.

This **fFranchise** is not exclusive, and shall not be construed as a limitation on the City in:

1. Granting rights, privileges and authority to other persons similar to or different from those granted by this **eOrdinance**.

2. Constructing, installing, maintaining or operating any City-owned public utility.

Section 6. Public Works and Improvements Not Affected by Franchise.

The City reserves the right to:

1. Construct, install, maintain and operate any public improvement, work or facility;
2. Do any work that the City may find desirable on, over or under any ~~s~~Street, ~~b~~Bridge or ~~p~~Public ~~p~~Place.
3. Vacate, alter or close any ~~s~~Street, ~~b~~Bridge or ~~p~~Public ~~p~~Place provided that the City shall make available to Grantee with alternative right-of-way for the location of its facilities.
4. Whenever the City shall excavate or perform any work in any of the present and future ~~s~~Streets, alleys and ~~p~~Public ~~p~~Places of the City, or shall contract, or issue permits, for such excavation or work where such excavation or work may disturb Grantee's ~~e~~Gas ~~m~~Mains, pipes and appurtenances, the City shall, in writing, notify Grantee sufficiently in advance of such contemplated excavation or work to enable Grantee to take such measures as may be deemed necessary to protect such ~~e~~Gas ~~m~~Mains, pipes and appurtenances from damage and possible inconvenience or injury to the public. In any such case, the Grantee, upon request, shall furnish maps or drawings to the City or contractor, as the case may be, showing the approximate location of all its structures in the area involved in such proposed excavation or other work.
5. Whenever the City shall vacate any ~~s~~Street or ~~p~~Public ~~p~~Place for the convenience or benefit of any person or governmental agency or instrumentality, Grantee's right under this franchise shall be preserved as to any of its facilities then existing in such ~~s~~Street or ~~p~~Public ~~p~~Place.

Section 7. Continuous Service.

The Grantee shall maintain and operate an adequate system for the distribution of gas in the City. The Grantee shall use due diligence to maintain continuous and uninterrupted 24-hour a day service which shall at all times conform at least to the standards common in the business and to the applicable standards adopted by federal and state authorities and to standards of the City which are not in conflict with those adopted by the federal and state authorities. Under no circumstances shall the Grantee be liable for an interruption or failure of service caused by act of God, unavoidable accident or other circumstances beyond the control of the Grantee through no fault of its own.

Section 8. Safety Standards and Work Specifications.

1. The facilities of the Grantee shall at all times be maintained in a safe, substantial and workmanlike manner.
2. For the purpose of carrying out the provisions of this sSection, the City may provide such specifications relating thereto as may be necessary or convenient for public safety or the orderly development of the City. The City may amend and add to such specifications from time to time.

Section 9. Control of Construction.

The eGrantee shall file with the City or otherwise provide access to maps showing the location of any construction, extension or relocation of its eGas mMains in the sStreets of the City and shall obtain from the City approval of the location and plans prior to commencement of the work. The City may require the Grantee to obtain a permit before commencing the construction, extension or relocation of any of its eGas mMains.

**Commented [SK2]:** How will the provide access if it is not filed? Web site? We would want to know as to make sure we have the baillity to access it.

Section 10. Street Excavations and Restorations.

1. Subject to the provisions of this oOrdinance, the eGrantee may make necessary excavations for the purpose of constructing, installing, maintaining and operating its facilities. Except in emergencies, and in the performance of routine service connections and ordinary maintenance, on private property, prior to making an excavation in the traveled portion of any sStreet, bBridge or pPublic pPlace, and, when required by the City, in any untraveled portion of any sStreet, bBridge, or any pPublic pPlace, the Grantee shall obtain from the City approval of the proposed excavation and of its location. Grantee shall give notice to the City by telephone, electronic data transmittal or other appropriate means prior to the commencement of service or maintenance work and as soon as is practicable after the commencement of work performed under emergency conditions.
2. When any excavation is made by the Grantee, the Grantee shall promptly restore the affected portion of the sStreet, bBridge or pPublic pPlace to the same condition in which it was prior to the excavation. The restoration shall be in compliance with specifications, requirements and regulations of the City in effect at the time of such restoration. If the Grantee fails to restore promptly the affected portion of a sStreet, bBridge or pPublic pPlace to the same condition in which it was prior to the excavation, upon thirty (30) days written notice to the Grantee and unless otherwise agreed to by the City and Grantee, the City may make the restoration, and the reasonable cost thereof shall be paid by the Grantee. Notice to Grantee required by this Section shall be sent by email to [NWNPermits@nwnatural.com](mailto:NWNPermits@nwnatural.com) and by U.S. mail via registered or certified postage prepaid or by express mail or overnight courier as follows: Northwest Natural Gas Company, Legal Department – Franchises, 250 SW Taylor Street, Portland, Oregon 97204.

**Commented [SK3]:** No, should be actual costs. If they do not reply to us and take care of their problem within 30 days...which I am not a fan of either to be honest, then we get it done and it costs what it costs.

Section 11. Location and Relocation of Facilities.

1. All facilities of the Grantee shall be placed so that they do not interfere ~~unreasonableunreasonably~~ with the use by the City and the public of the ~~s~~Streets, ~~b~~Bridges and ~~p~~Public ~~p~~Places and in accordance with any specifications adopted by the City governing the location of facilities.
2. The City may require, in the public interest, the removal or relocation of facilities maintained by the Grantee in the streets of the City, and the Grantee shall remove and relocate such facilities within a reasonable time after receiving notice to do so from the City. The cost of such removal or relocation of its facilities shall be paid by the Grantee, but when such removal or relocation is required for the convenience or benefit of any person, governmental agency or instrumentality other than the City, Grantee shall be entitled to reimbursement for the reasonable cost thereof from such person, agency or instrumentality. The City shall provide the Grantee with timely notice of any anticipated requirement to remove or relocate its facilities and shall cooperate with the ~~e~~Grantee in the matter of assigning or allocating the costs of removal or relocation.

**Commented [SK4]:** I don't like adding in subjective language here. Interference should be determined buy the city, not potentially a court.

#### Section 12. Compensation.

- ~~4. —~~ As compensation for the franchise granted by this ~~e~~Ordinance, the Grantee shall pay to the City an amount equal to ~~three-five~~ percent (35%) of the ~~e~~Gross ~~r~~Revenue collected by the ~~e~~Grantee from its customers for gas consumed within the City. ~~Gross revenue shall be computed by deducting from the total billings of the Grantee the total net writeoff of uncollectible accounts, revenues derived from the sale or transportation of gas supplied under an interruptible tariff schedule, revenues paid directly by the United States of America or any of its agencies, and sales of gas at wholesale by the Grantee to any public utility or public agency where the public utility or public agency purchasing such gas is not the ultimate consumer.~~ The Grantee may offset against such compensation the amount of any license, permit or other fees paid to the City in connection with the Grantee's use of the ~~s~~Streets, ~~b~~Bridges and ~~p~~Public ~~p~~Places of the City.
2. The compensation required by this ~~s~~Section shall be due for each calendar year, or fraction thereof, within sixty (60) days after the close of such calendar year, or fraction thereof. Within sixty (60) days after the termination of this ~~f~~Franchise, compensation shall be paid for the period elapsing since the close of the last calendar year for which compensation has been paid.
  3. The Grantee shall furnish to the City with each payment of compensation required by this ~~s~~Section a statement showing the amount of ~~e~~Gross ~~r~~Revenue of the ~~e~~Grantee within the City for the period covered by the payment computed on the basis set out in subsection (1) of this ~~s~~Section. The compensation for the period covered by the statement shall be computed on the basis of the ~~e~~Gross ~~r~~Revenue so reported. If the ~~e~~Grantee fails to pay the entire amount of the compensation due the City through error or otherwise, the difference due to City shall be paid by

**Commented [SB5]:** Moved to the definition section and updated with our current definition of Gross Revenue

the Grantee within ~~fifteen (15)~~ thirty (30) days from discovery of the error or determination of the correct amount. Any overpayment to the City through error or otherwise, shall be offset against the next payment due from the Grantee.

4. Acceptance by the City of any payment due under this ~~s~~Section shall not be deemed to be a waiver by the City of any breach of this ~~f~~Franchise occurring prior thereto, nor shall the acceptance by the City of any such payments preclude the City from later establishing that a larger amount was actually due, or from collecting any balance due to the City.
5. Renegotiation of Franchise Fee. Upon 30 days written notice by either party to the other of a requested modification, the provisions of Section 12.1 of this Franchise may be modified. Such a written notice of requested modification may only be given during the ~~fourth-tenth~~ full year of the franchise term, i.e., between ~~nine (9) and ten (10) three (3) and four (4)~~ years after the date the Grantee signs and accepts this Franchise in accordance with Section 19. If the parties are unable to agree to a modification of Section 12.1 or to a continuation of the same provisions within 90 days of receipt of the notice of requested modification, or such longer time as may be agreed to by the parties, the Franchise shall terminate at the end of the year after the year in which the modification request was made, unless otherwise agreed by the parties. ~~City shall provide Grantee at least 30 days notice before any other increase in the Franchise Fee may take effect. Written Notice to Grantee required by this Section shall be sent by U.S. mail via registered or certified postage prepaid or by express mail or overnight courier as follows: Northwest Natural Gas Company, Legal Department – Franchises, 250 SW Taylor Street, Portland, Oregon 97204.~~

**Commented [KKR6]:** We've adjusted the reopener in line with the 20 year franchise duration but happy to discuss further.

#### Section 13. Book of Account and Reports.

The Grantee shall keep accurate books of account at an office in Oregon for the purpose of determining the amounts due to the City under ~~s~~Section 12 of this ordinance. Upon reasonable notice. ~~The~~ City may inspect the books of account at any time during business hours and may audit the books from time to time, provided that only payments that occurred or should have occurred during a period of thirty-six (36) months prior to the date the City notifies the Grantee of its intent to perform an audit or financial review will be included. The Council may require periodic reports from the ~~g~~Grantee relating to its operations and revenues within the City. The Grantee will not provide the City with records containing customer information that identifies or can be attributed to a specific customer, without a written legal opinion by the City to the Grantee's reasonable satisfaction that such records will not be subject to public disclosure requests seeking customer information and oppose such records' disclosure should a public request be made.

#### Section 14. Supplying Maps Upon Request

The eGrantee shall maintain on file, at an office in Oregon, maps and operational data pertaining to its operations in the City. Upon reasonable notice, an authorized representative of the City may inspect the maps and data any time during business hours at an office of the Grantee. Grantee and the City may determine that the location of certain Gas Facilities should be confidential as the public interest may require. In such a case, Grantee is under no obligation to provide records of the location of these facilities to the City and the City shall treat any public record disclosing the location of these facilities as confidential, subject to the provisions of state law and the Oregon Public Records Law. The City shall limit access to any such confidential record to trustworthy employees of the City with a need to know the information set out in the record. The City shall store any such confidential record in a secure and private place and avoid making and distributing copies of the record.

#### Section 15. Indemnification.

The Grantee shall indemnify and save harmless the City and its officers, agents and employees from any and all loss, cost and expense arising from damage to property and/or injury to, or death of, persons due to any wrongful or negligent act or omission of the Grantee, its agents or employees in exercising the rights, privileges and franchise hereby granted.

#### Section 16. Assignment of Franchise.

This fFranchise shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the Grantee.

#### Section 17. Termination of Franchise for Cause.

The City may terminate this fFranchise as provided in this Section, subject to Grantee's right to a court review of the reasonableness of such action, upon the willful failure of the Grantee to perform promptly and completely each and every material term, condition or obligation imposed upon it under or pursuant to this eOrdinance. The City shall provide the gGrantee written notice of any such failure and the Grantee shall have sixty (60) days from receipt of notice to cure such failure, or if such failure cannot reasonably be cured within sixty (60) days, to commence and diligently pursue curing such failure. Notice to Grantee required by this Section shall be sent by U.S. mail via registered or certified postage prepaid or by express mail or overnight courier as follows: Northwest Natural Gas Company, Legal Department – Franchises, 250 SW Taylor Street, Portland, Oregon 97204.

#### Section 18. Remedies Not Exclusive, When Requirement Waived.

All remedies and penalties under this eOrdinance, including termination of the franchise, are cumulative, and the recovery or enforcement of one is not a bar to the recovery or enforcement of any other such remedy efor penalty. The remedies and penalties contained in this eOrdinance, including termination of the franchise, are not exclusive and the City reserves the right to enforce the penal provisions of any ordinance or resolution and to avail itself of any and all remedies available at law or in equity. Failure to enforce shall not be construed as a waiver of a breach of any term, condition or obligation imposed upon the gGrantee by or pursuant to this eOrdinance. A specific waiver of a particular breach of any term, condition or obligation

imposed upon the Grantee by or pursuant to this eOrdinance shall not be a waiver of any other or subsequent or future breach of the same or of any other term, condition or obligation, or a waiver of the term, condition or obligation itself.

Section 19. Acceptance.

The eGrantee shall, within thirty (30) days from the date this eOrdinance takes effect, file with the City its written unconditional acceptance of this #Franchise, and if the Grantee fails to do so, this eOrdinance shall be void.

Section 20. Expiration.

At the end of the Franchise term, if the City and Grantee are negotiating a new franchise and have not concluded their negotiations, Grantee's rights and responsibilities shall continue to be controlled by this Franchise until the City grants a new franchise and the Grantee accepts it.

PASSED by the Common Council this \_\_\_\_ day of \_\_\_\_\_, 2025.

Signed and approved by the Mayor this \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Recorder

ACCEPTANCE

City of Adair Village  
6030 NE William R Carr Ave.  
Adair Village, OR 97330

This is to advise the City of Adair Village, Oregon (the "City") that Northwest Natural Gas Company (the "Grantee") hereby accepts the terms and provisions of Ordinance No. \_\_\_\_\_ passed by the Adair Village City Council on \_\_\_\_\_, 2025 (the "Franchise") granting a franchise for twenty (20) years to Grantee.

(Name)

BY \_\_\_\_\_

TITLE \_\_\_\_\_

Northwest Natural Gas Company

DATE \_\_\_\_\_

This Acceptance was received by the City of Adair Village on \_\_\_\_\_, 2025.

\_\_\_\_\_  
City Recorder

## STORE/RESTAURANT COMMERCIAL LEASE

### Parties

This **COMMERCIAL LEASE AGREEMENT** is made and entered into this 1st day of September 2025, by and between the City of Adair Village, hereinafter called the “Lessor” and SABDASUDHA LLC herein after called “Lessee”.

### Premises

The real property commonly known as 6002 & 6004 NE William R. Carr Street, situated in City of Adair Village, Benton County, State of Oregon. A space in the building consisting of approximately 2027 square feet zoned Highway Commercial. The use and occupancy by Lessee shall include the use, in common with others entitled thereto, of the common area walkways, drive lanes and customer parking facilities.

### TERM OF LEASE AND RENT

In consideration of the mutual promises and obligations contained herein, Lessor leases the Premises to Lessee for a term commencing on September 1<sup>st</sup>, 2025 and continuing through August 31<sup>st</sup>, 2030 at the following monthly rentals, which sums shall be payable in advance on or before the first day of each calendar month throughout the Lease term, without notice or demand, deduction or offset.

September 1, 2025 through February 28, 2026	\$ 1,250.00 per month
March 1, 2026 through August 31, 2030	\$ 2,500.00 Per month

Notwithstanding the above, the first full month’s rental of \$ 1,250.00 shall be paid upon Lessee’s signing of the Lease.

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

## SECTION 1: OCCUPANCY

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

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

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

**1.4 Security Deposit** To secure Lessee's compliance with all terms of this lease, Lessee shall pay Lessor the sum of \$ 2,500.00 (two thousand dollars), as a deposit. The deposit shall be a debt from Lessor to Lessee, refundable within 30 days following the expiration of this lease term or other termination not caused by Lessee's default. Lessor shall have the right to offset against the deposit any sums owing from Lessee to Lessor and not paid when due, any damages caused by Lessee's default, the cost of curing any default by Lessee should Lessor elect to do so, and the cost of performing any repair or cleanup that is Lessee's responsibility under this lease. Offset against the deposit shall not be an exclusive remedy in any of the above cases, but may be invoked by Lessor at its option, in addition to any other remedy provided by law of this lease for Lessee's nonperformance. Lessor shall give notice to Lessee each time an offset is claimed against the deposit, and, unless the lease is terminated, Lessee shall within 10 days following such notice deposit with Lessor a sum equal to the amount of the offset so that the total deposit amount, net to offset, shall remain constant throughout the lease term.

## SECTION 2. USE OF PREMISES

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

### **2.2 Restrictions on Use.**

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

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

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

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

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

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

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

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

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

### **SECTION 3. REPAIRS AND MAINTENANCE**

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

(a) Performance of all routine maintenance and repair upon electrical fixtures, switches, and wiring from the service panel, plumbing, water lines, sewer facilities from point of entry to the Premises, doors, windows and related hardware, ceilings, interior walls and floors, however Lessor shall be responsible for replacement of plumbing and electrical equipment, except light bulbs and ballasts, by reason of obsolescence and defects not caused by neglect of Lessee, its agents, or employees.

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

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

**3.2 Lessor's Obligations.** During the term of this lease Lessor agrees to maintain in good order, repair and condition the exterior walls, roof, and gutters, down spouts, common areas, foundation, thereabout. Lessor shall be responsible for major repairs, in excess of \$1000.00, to the HVAC system, plumbing to point of entry to Premises, electrical systems to the point of service panel to Premises, unless such repairs/replacement is due to a negligent act or omission by Lessee, its invitees, agents or employees.

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

**3.4 Lessor's Interference With Lessee.** Any repairs, replacement, alterations or work performed on or about the Premises by Lessor shall be done in such a way as to interfere as little as reasonably possible with the use of the Premises by Lessee.

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

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

**4.2. Taxes** Lessee will pay to Lessor its proportionate share of all ad valorem taxes of any kind whatsoever levied against the land and building, Including improvements thereon. For the tax years, which include the beginning and/or the end of the term, Lessee shall be liable only for that portion of the taxes prorated for the months of its occupancy during the

respective tax year. A tax bill submitted by Lessor to Lessee shall be sufficient evidence of the amount of taxes assessed or levied against the parcel or real property to which the bill relates. The taxes will be due monthly in addition to the monthly rent. The monthly property tax liability will be adjusted annually when the new tax bills arrive. Lessee shall pay when due all taxes assessed against its personal property located on the premises.

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

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

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

**4.5 Common Area Charges.** In each lease year hereof, Lessee shall pay to Lessor, in addition to the rentals specified herein, as further additional

rent, a proportion of the operating costs based upon the ratio of the square feet of the Premises to the total square feet of the building.

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

## **SECTION 5. DAMAGE AND DESTRUCTION**

**5.1 Partial Damage.** If the leased Premises or the building of which the Premises are a part shall be partly damaged by fire, windstorm or other casualties and paragraph 5.2 below does not apply, Lessor shall, subject to 5.3, repair the damage and restore to a condition comparable to that existing prior to the damage. Repair shall be accomplished with all reasonable dispatch, subject to interruptions and delays from labor disputes and other causes beyond Lessor’s reasonable control. Rent shall be abated during the period and to the extent the Premises are not reasonably usable for the use permitted by this Lease, except where the damage is the fault of the Lessee or Lessee is otherwise liable for the cost of repair.

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

**5.3 Repair of Lessee’s Property.** Repair, replacement or restoration of any fixture or personal property owned by Lessee or any additions or improvements to the Premises constructed by the Lessee shall be the

responsibility of the Lessee regardless of the cause of the damage. Lessee shall pay all costs of moving its property when this is required in connection with repairs of the Premises for which Lessor is responsible.

## SECTION 6. EMINENT DOMAIN

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

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

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

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

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

Lessee's merchandise, furniture, fixtures, leasehold improvements and equipment.

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

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

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

**7.3 Liens.** Lessee shall pay as due all claims for work done on and for services rendered or materials furnished to the Premises at its request, and shall keep the Premises free from any liens. If Lessee fails to pay any such claims or to discharge any lien, Lessor may do so and collect all costs of such discharge, including its reasonable attorney's fees. Such actions by Lessor shall not constitute a waiver of any right or remedy which Lessor may have on account of Lessee's default. If a lien is filed as a result of nonpayment Lessee shall, within 10 days after knowledge of the filing, secure the discharge of the lien or deposit with Lessor cash or a sufficient corporate surety bond in an amount sufficient to discharge the lien, plus any costs, attorney's fees and other charges that could accrue as a result of a foreclosure or sale under the lien.

**7.4 Liability Insurance** Lessee shall, at its expense, carry public liability and property damage insurance with limits of not less than \$1,000,000 for injury to one person in one occurrence, \$2,000,000 for injury to two or more persons in one occurrence, and \$500,000 damage to property. Such insurance shall be in a form satisfactory to Lessor, shall protect Lessor and Lessee against the claims of third persons and shall include an endorsement covering the indemnification liability assumed by Lessee under paragraph 7.1 of this Lease. Prior to Lessee taking possession of the

Premises, Lessee shall furnish certificates evidencing such insurance coverage bearing endorsements requiring ten (10) day's written notice to Lessor prior to any change or cancellation of the policy.

## SECTION 8. ASSIGNMENT AND SUBLEASE

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

## SECTION 9. DEFAULT

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

**9.2 Abandonment.** Failure of Lessee for 15 days or more to occupy the property for one or more of the purposes permitted under this lease

unless such failure is excused under other provisions of this lease shall be an abandonment of the property.

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

## **SECTION 10. REMEDIES ON DEFAULT**

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

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

**10.3 Damages for Default.** In the event of termination on default, Lessor shall be entitled to recover the following amounts as damages: All unpaid rent or other charges for the period prior to re-entry, plus interest provided in paragraph 13.6. An equal amount to the rental lost during any

period in which the Premises are no relet. The reasonable costs of reentry and reletting including without limitation the cost of any cleanup, refurbishing, removal of Lessee's property and fixtures, or any other expense occasioned by Lessee's failure to quit the premises upon termination and to leave them in the required condition, attorney fees, court costs, broker commissions, and advertising costs.

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

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

## SECTION 11. SURRENDER ON TERMINATION

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

**11.2 Fixtures.** All fixtures placed upon the leased Premises during the term, other than Lessee's moveable trade fixtures shall, at Lessor's

option, become the property of the Lessor. If Lessor so elects, Lessee shall remove any or all fixtures which would otherwise remain the property of Lessor, and shall repair any physical damage resulting from the removal. If Lessee fails to remove such fixtures, Lessor may do so and charge the cost to the Lessee with interest at 12% per annum from the date of expenditure.

**11.3 Removal of Lessee's Property.** Lessee shall remove all furnishings, furniture, and moveable trade fixtures which remain the property of the Lessee. If Lessee fails to do so, this shall be considered an abandonment of the property and Lessee shall have no further rights therein and Lessor may retain or dispose of the property as it sees fit.

**11.4 Holdover.** Should Lessee fail to vacate the Premises when required, Lessor may elect to treat Lessee as a tenant from month to month subject to all provisions of this Lease, except for the provisions for term, or Lessor may elect to take legal action to eject Lessee from the Premises and to collect any damages caused by Lessee's wrongful holding over. Lessee's failure to remove property as required by paragraph 11.3 above shall constitute a failure to vacate to which paragraph 11.4 shall apply if the property not removed will substantially interfere with occupancy of the Premises by another tenant or with occupancy by Lessor for any purpose including preparation for a new tenant.

## SECTION 12. ARBITRATION

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

the presiding judge of the Judicial District in which the Premises are located who shall appoint the required arbitrator.

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

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

### **SECTION 13. GENERAL PROVISIONS**

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

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

**13.3 Notices.** Lessor and Lessee agree that any notice required or permitted to be given hereunder shall be deemed to have been given when deposited in the United States mail, certified, return receipt requested, postage fully prepaid, and with respect to Lessor, addressed to: City of Adair Village, Attention: Drew Foster or current City Administrator, 6030 NE William R Carr Street, City of Adair Village OR 97330: and with respect to Lessee, Birpal S. Johal, 135 S Bridge Street, Sheridan OR 97378-1805.

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

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

**13.6 Interest on Rent and Other Charges.** Any rent or other payment required of Lessee by this Lease shall, if not received by Lessor within 10 days after it is due, shall be subject to a five (5%) late charge as additional rent. Any unpaid monies due shall accrue interest at 12% per annum from the due date until paid.

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

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

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

being installed in or about the Premises, which consent shall not be unreasonably withheld.

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

**13.11 Parking.** Lessee shall be entitled to the nonexclusive right with others entitled thereto to use the common parking areas of the building, for the use of Lessee's invitees and employees. Lessor reserves the right, at Lessor's sole discretion, to allocate and assign numbered parking spaces to Lessee based on a pro rata share as defined by comparing the square feet of the Premises to the total square feet of all space capable of being leased in the building. Additionally Lessor reserves the right to designate some of the spaces as "visitor parking" as Lessor deems reasonably for the harmonious operation/management of the building.

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

**13.13 ADA Standards.** Lessor shall be responsible for any alterations, modifications or improvements to be made upon the common areas due to any applicable Federal, State, County or City law, order,

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

**13.14 Subordination.** Upon request of Lessor, Lessee will subordinate its rights hereunder to the lien of any mortgage or mortgages or the lien resulting from any other method of financing or refinancing now or hereafter in force against the land and building comprising the Premises, and to all advances made or hereafter to be made upon the security thereof, and Lessee shall execute such documents as may be reasonably requested by Lessor or the holder of the encumbrance to evidence this subordination.

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

**13.16 Right to Early Termination.** Either party may cause this lease to terminate prior to its scheduled conclusion strictly provided (i) the party so terminating delivers written notice to the other party a minimum of 180 days prior to the date of termination and, (ii) said notice is accompanied by a valid payment to the notified partying an amount equal to Twenty-Five Thousand Dollars (\$25,000) U.S. as consideration.

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

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

**13.19 Option To Renew.** Provided Lessee is not then in default under this lease at the time notice is given or at the time the renewal term is to commence and further provided Lessee is open and operating from the Premises a Market/Convenience Store and Restaurant, Lessee shall have the option to renew the term of the Lease for a period of five (5) years. Lessee shall notify Lessor in writing that it is exercising its option to renew no later than ninety (90) days prior to the expiration of the term then in effect. The giving of such notice shall be sufficient to make the Lease binding for the renewal term. The monthly rent at the start of the option period shall be the sum of \$ 1,983.42 with an annual increase equal to 3 percent (three) each year during the option period.

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

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

**LESSOR:**

**CITY OF ADAIR VILLAGE**

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William Currier, Mayor  
Tax ID #

**LESSEE**

**SABDASUDHA, LLC**

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Prakash Adhikari/President  
Tax ID #