

**CHEHALEM PARK AND RECREATION DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
CHEHALEM ADMINISTRATION OFFICE
125 S. ELLIOTT ROAD
NEWBERG, OREGON
JANUARY 30, 2020
6:00 P.M.
AGENDA**

- I. Call To Order**
- II. Roll Call**
- III. Approval of or Additions to the Agenda**
- IV. Approval of Consent Agenda**
 - A. Approval Minutes Regular Board Meeting December 5, 2019 and Work Session January 9, 2020
 - B. Approval of Bills Payable
 - C. Approval of December Financials
- V. Public Participation**
 - A. No Request
 - B. Others not on Agenda
- VI. Action Items/Committee Reports/Board Comments**
 - A. Approval of Budget Committee for 2020-21 Budget
 - B. Discussion of Newberg Landfill
 - C. Discussion of Donation of Land
 - D. Approval of Contract ADP
 - E. Approval of 2017-18 Audit
 - F. Reports and Comments from Board Members
- VII. Old Business**
 - A. Updates on Projects
- VIII. From the Superintendent's Desk**
 - A. Financial Report and Questions
 - B. Superintendent's Report
 - 1. Audit Update
 - C. Staff Reports
- IX. Correspondence**
 - A. Citizens' Comments/Evaluations
 - B. Miscellaneous Info
- X. Adjournment**

Next meeting is February 27, 2020.

To: Board of Directors
From: Superintendent
Date: January 27, 2020
Re: Background information for January 30, 2020 Board Meeting
Number corresponds to Agenda Item

II. ROLL CALL – We need 3 present for the meeting. Please call if you cannot attend. PLEASE REMEMBER MEETING AT THE DISTRICT OFFICE.

Please see page 4 for index for page numbers

III. APPROVAL OR ADDITIONS TO AGENDA – If you wish additions please give me a call.

IV. APPROVAL OF CONSENT AGENDA

A. Approval of Board Meeting Minutes – Please see pages (5-12) for Regular Meeting Minutes of December 05, 2019 and Work Session January 9, 2020 as submitted.

RECOMMENDATION: Approval of Regular Board Meeting Minutes for December 05, 2019 Work Session January 9, 2020

B. Approval of Bills Payable - Bills Payable summary is on page (13-15) for review. I will have copies of all the bills payable for review at the meeting or you may call me for copy.

RECOMMENDATION: Approval of Bills Payable totaling \$718,647.15 General Fund, \$0.00 Capital Pool Construction and Loan Fund, \$192,734.10 SDC Fund, \$21,128.74 Foundation

C. Approval of December Financial – Copies of the Financials will be at the meeting to review. Please call me for a copy if needed. A summary is available on page (16) for review.

RECOMMENDATION: Approve December Financials.

V. PUBLIC PARTICIPATION

A. No Request

B. Others not on agenda – We have no other request at this time.

VI. ACTION ITEMS/COMMITTEE REPORTS/BOARD COMMENTS.

A. Budget Committee Members for 2020-2021 Budget – We currently have the following Budget Committee Members 1. Elijah Dickson, 2 Andrew Vinger, 3. Mike McBride (2021-22), 4 Elizabeth Comfort (2020-21), 5. Bob Phillips (2020-21), Elijah and Andrew are up for reappointment. All have agreed to serve. Elijah and Andrew would be appointed through 2022-2023.

RECOMMENDATION: Approve Budget Committee.

B. Discussion of Newberg Landfill – Please see pages (17-30) for information.

C. Discussion of Donation of Land – Please see pages (31-110) for information.

D. Approval of Contract ADP – Please see pages (111-138) for information

RECOMMENDATION: Approve Contract for \$19,946.00 with ADP.

E. Approval of 2017-18 Audit – Copies and letters were given out. If you need copies contact Kat. ’

RECOMMENDATION: Approve 2017-18 Audit.

F. Reports/Comments from Board Members – Given at meeting.

VII. OLD BUSINESS

- A. Update on Projects – Will discuss at meeting. Staff will be present to answer questions. Projects to discuss: Status of paddle launch, Trail Development. Status of Projects.

VIII. FROM THE SUPERINTENDENTS DESK

- A. Financial Report and Questions. The projected ending balance was higher for 2017-18 than 2016-17 in the general fund. We did not have to borrow for the 2017-18, 2018-19, and 2019-20 Budget. The debt will be for the golf course, property on the river, fitness center and pool bond. We are allowed about \$92,400,000.00 in debt. Currently we have about \$35,260,787.00. SDC Beginning balance is higher and revenue is up. Revenue is up in SDC because we raised the fee. We refinanced the loans for the golf course, property and combined them with the loan for the pool and fitness center. This was done to save money. Currently we have two loans and one bond.

| <u>GENERAL FUND SUMMARY</u> | | | |
|-----------------------------|-------------------------------|-------------------------------|------------------------------|
| DESCRIPTION | AS OF 12/31/18-19 | AS OF 12/31/19-20 | DIFFERENCE |
| TOTAL EXPENDITURES | \$ 3,037,699.90 | \$ 2,905,120.35 | \$ <132,579.55> |
| TOTAL OPERATION EX. | \$ 2,645,289.10 | \$ 2,614,981.02 | \$ < 30,308.08> |
| TOTAL CAP/AQ/DEV/TRS | \$ 392,410.80 | \$ 290,139.33 | \$ <102,271.47> |
| | | | |
| TOTAL REVENUE | \$ 6,561,221.62 | \$ 6,943,071.41 | \$ 381,849.79 |
| TOTAL TAXES | \$ 2,802,522.27 | \$ 2,877,986.55 | \$ 75,464.28 |
| TOTAL FEES & CHARGES | \$ 1,695,814.96 | \$ 1,750,238.25 | \$ 54,423.29 |
| TOTAL OTHER REVENUE | \$ 156,169.12 | \$ 80,834.74 | \$ < 75,334.38> |
| BEGINNING BALANCE | \$ 1,906,715.27 | \$ 2,234,011.87 | \$ 327,296.60 |
| <u>BALANCE</u> | <u>\$ 3,523,521.72</u> | <u>\$ 4,037,951.06</u> | <u>\$ 514,429.34</u> |

| <u>SDC FUND SUMMARY</u> | | | |
|--------------------------|-------------------------------|-------------------------------|-----------------------------|
| DESCRIPTION | AS OF 12/31/18-19 | AS OF 12/31/19-20 | DIFFERENCE |
| BEGINNING BALANCE | \$ 1,346,770.77 | \$ 2,149,779.94 | \$ 803,009.17 |
| INTEREST | \$ 993.77 | \$ 21,243.20 | \$ 20,249.43 |
| CITY OF NEWBERG | \$ 598,910.03 | \$ 788,654.03 | \$ 189,744.00 |
| CITY OF DUNDEE | \$ 0.00 | \$ 55,738.48 | \$ 55,738.48 |
| COUNTY OF YAMHILL | \$ 45,034.29 | \$ 91,963.25 | \$ 46,928.96 |
| TOTAL REVENUE | \$1,991,708.86 | \$3,107,378.90 | \$ 1,115,670.04 |
| TOTAL EXPENDITURE | \$ 52,074.89 | \$ 664,397.89 | \$ 612,323.00 |
| <u>BALANCE</u> | <u>\$ 1,939,633.97</u> | <u>\$ 2,442,981.01</u> | <u>\$ 503,347.04</u> |

Please note the operational cost is down. The operational revenue is up slightly. SDC Fund is up. Please remember the fitness center debt was to come out of SDC's.

- B. Superintendent Report – To be given at meeting. Please see pages (139-141).
- C. Staff Reports – Please see pages (142-153).

IX. CORRESPONDENCE

- A. Citizens Comments/Evaluations – Please see page (154-159).
- B. Miscellaneous Information – Please see page (160-163).

X. ADJOURNMENT.

FEBRUARY 27, 2020 IS OUR NEXT SCHEDULED BOARD MEETING.

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CHEHALEM PARK AND RECREATION DISTRICT
REGULAR BOARD MEETING
CPRD Administration Office
125 S. Elliott Road
December 5, 2019
MINUTES

- I. Bart Rierson called the meeting to order 6:00 p.m.

- II. Roll Call
 - Board members:
Peter Siderius
Bart Rierson
Don Loving
Lisa Rogers

 - Excused:
Mike Ragsdale

 - CPRD Staff:
Don Clements, Superintendent
Casey Creighton, Basic Services Supervisor/Park and Facilities Supervisor
Julie Petersen, Special Services Supervisor/Recreation Supervisor
Kellan Sasken, Special Services/Golf Director

 - Public:
Lindsay Berschauer
Emily Buccola, Sotheby's Realty
Philip and Katrina Higgins, Pacific Crest Ren
Jim McMaster
Mary Starrett, Yamhill County Commissioner
Jim Talt, Chehalem Senior Center patron

- III. Approval of agenda
 - Moved Lisa Rogers
 - Second Pete Siderius
 - Passed unanimously

- IV. Approval of consent agenda - See Item VIII. for approval vote.
 - a. Approval of minutes of regular Board meeting October 24, 2019
 - b. Approval of bills payable
 - c. Approval of October financials

- V. Public participation

- a. James A. (Jim) Talt presented a request for CPRD to hire a vendor to refurbish the pool/billiards tables at Chehalem Senior Center. Talt presented bids from two vendors along with his report and proposal. Superintendent recommended going ahead with the proposal, and Casey Creighton thanked him for this proposal. Motion to approve.
 Moved Lisa Rogers
 Second Pete Siderius
 Approved unanimously
- b. Emily Buccola of Soethby's Realty presented her client's offer to purchase a 5-acre parcel of land—located 1/3 mile east of SE Boysen Lane in Dundee—for approximately \$250,000. Superintendent recommended not to sell. Discussion - appraised value, intentions for parcel. Board unanimously declined the offer.
- c. Request from Wade Willers, president of RHW Enterprises, Inc., for CPRD to allow a payment plan for System Development Charges (SDCs) for The Flats at Rogers Landing, a 45-unit housing development located at 1109 S. River St. Superintendent recommended denial of request. Motion not to grant request for payment plan and decided not to grant such proposed payment plans in the future.
 Moved Pete Siderius
 Second Lisa Rogers
 Passed unanimously
- d. Others not on agenda - None

VI. Action items/committee reports/Board comments

- a. Proposal to increase System Development Charges (SDCs) as tentatively scheduled by the Board in Nov. 2018; this increase would take effect July 2020. Mary Starrett testified in opposition to rate increase, claiming that it would deter construction of affordable housing developments. Discussion: Don Loving asked her whether she approaches city council on the SDC issue; Starrett challenged CPRD's new construction projects versus maintenance needs for existing properties; Rogers asserted that parks are needs, not wants, for housing developments. Philip Higgins read his statement opposing the rate increase. Katrina Higgins commented in support of his statement. Lindsay Berschauer read her statement of opposition. Discussion: Pete Siderius talked about the need for the increase to enable CPRD to meet the needs of the growing community; Bart Rierson supported the need to maintain the level of service that existing community has already paid for; Lisa Rogers challenged what effect would result if the fee were reduced, and described the many factors which amount to the total cost of high-priced housing. Jim McMaster, former CPRD Park and Facilities Supervisor, spoke in support of the increase, describing projects which were funded by SDC funds during his career, including playgrounds inside the Newberg

School District, and neighborhood parks; he cited the SDCs that CPRD is paying for new construction such as the aquatic and fitness center; he said he owns rental properties locally, and that he has deliberately chosen not to raise rent because he wants them to be affordable.

Motion to approve SDC Resolution 12-01-19. Julie Petersen described the numbers of football and soccer players who practice in the parks, as the parks do not have practice fields. Siderius said CPRD is better at stretching a dollar than any other governmental entity in the area. More discussion.

Motion to approve scheduled increase of SDCs as presented in the packet.

Moved Pete Siderius

Second Don Loving

Passed unanimously

- b. Human Resources/Personnel Policies - Discussion continued. Don Clements and Don Loving gave an update on the Human Resources Research Committee: the committee met and expects to present findings and updated policies at the January Board meeting. CPRD is contracting a consultant from HR Services from SDAO to review materials annually for less than \$1,000 per year. Rogers explained that staff on the committee had raised the concern that they were expected to make HR decisions without proper knowledge or training. Discussion about the possibility of hiring an outside HR person as a direct contact with employees; this is not an immediate option being considered.
- c. COLA discussion (Cost-of-Living Adjustments) - Don Clements and Bart Rierson discussed different COLA alternatives, what their costs would be, where the funding would come from, and whether it would be sustainable. Rogers recommended adopting a COLA. Rierson also supported it. Loving explained that Step Increases are merit-based and optional, and COLA is given across the board. CPRD only gives Step Increases; the Board agreed it was appropriate to giving both increases. Motion to approve 2 percent COLA, effective Jan. 1, 2020.

Moved Lisa Rogers

Second Don Loving

Passed unanimously

- d. Discussion of setting priorities for projects
The Board set up a separate meeting - a work session - to discuss projects, 6 p.m. Thursday, Jan. 9.

e. Reports/comments from Board members

Siderius - Environmental Emergency Continuum has been put into place, and asked for a letter of support. Kat Ricker said Clements had already directed her to do this, when Quentin Comus's request email arrived this morning.

Loving - Disappointed that he was the only Board member at the holiday dinner, that it was their annual opportunity to thank staff for what they do.
 Rierson - Brought up email (page 64) he received from Kevin Robinson, regarding an incident in which he claimed that his wife had been struck in the head by a softball during a game six months ago and sustained a concussion, and Robinson's request to net the area. Discussion. Clements said this would be referred to the insurance company, and staff will respond appropriately.
 Rogers - Was walking her dog at Ewing Young Park recently, and the storm drain from housing development looks as if it will empty onto the trail. Staff will look into it immediately.

VII. Old business/project updates

- a. 2017-18 audit update from Clements: There has been progress, and the Board will receive this budget once it is approved.
- b. Westrock appraisal was approximately \$550,000 (2.6-acre landfill, riverfront parcel). Superintendent said he was not prepared to make a recommendation yet. Rierson requested legal counsel discuss this with the Board. Clements said he would also go to SDAO and others for advice, then make a recommendation. Sierdius requested a site visit, and Creighton said he would give him the contact's phone number to arrange this himself.
- c. Chehalem Heritage Trails Campground cost estimates are in (approximately \$6.9 million), although rough, Clements said, and he will present them to the Board soon.

VIII. From the superintendent's desk

- a. Financial report – Motion to approve consent agenda and financial report as presented

Moved Don Loving
 Second Lisa Rogers
 Passed unanimously

- b. Superintendent's report – No comments
- c. Staff reports – Kellan Sasken gave several updates on the golf course. Petersen gave updates on recreation programs; she said Kathy Wood is retiring soon and continuing as a part-time employee (Secretary II at registration desk). Discussion emerged on price of drop-in walking track for seniors, and Don Loving and Lisa Rogers urged a discount fee for them. Petersen said that she is in discussion with Friendsview on creating a special arrangement with Friendsview, which plans to run a shuttle for this, and also explained that due senior insurance programs such as SilverSneakers, it is free for many. Discussion.
 Creighton - Gave several updates from his report.

Ricker - New signage and revamped tees at Hoover Disc Golf Course as an Eagle Scout project, proposed Social Media Policy, see page 72 with response letter from recommendations from legal counsel. Had demonstration by Reserve America on campground reservation software system.

IX. Correspondence

A. Citizen comments/evaluations – No additional mentioned.

X. Adjournment – Don Loving moved to adjourn 8:48 p.m.

Work session: January 9, 2020

Next meeting: January 23, 2020

Respectfully Submitted,

Kat Ricker, Public Information Director

CHEHALEM PARK AND RECREATION DISTRICT
WORK SESSION
CPRD Administration Office
125 S. Elliott Road
Jan. 9, 2020
NOTES

I. Bart Rierson called the meeting to order 6:00 p.m.

II. Roll Call

Board members:

Peter Siderius

Bart Rierson

Don Loving

Mike Ragsdale

Lisa Rogers

CPRD Staff:

Don Clements, Superintendent

Casey Creighton, Basic Services Supervisor/Park and Facilities Supervisor

Julie Petersen, Special Services Supervisor/Recreation Supervisor

Kat Ricker, Public Information Director

Kellan Sasken, Special Services/Golf Director

III. Priority Projects Discussion

Points of discussion:

- Whether to prioritize projects or not; if not, all are equal and timed by funding availability
- What the guiding principles are on project selections - If a group is willing to take action, the project is prioritized, and one board member leads a committee.
- Upcoming state grant opportunities
- How to rank projects, including removing projects which will not actualize in the next two years

Property Acquisition

1. Paelisch Home subdivision park (proposed neighborhood park) - on hold unless something happens - unanimous
2. Yamhill County riverfront landfill property (transfer and development) - Complete the transfer and receive the property - divided. Whether to develop or put development on hold - discussion. Develop once funding can be secured - unanimous. Disagreement over whether soccer fields could be on site. Bart agreed to head a committee to seek funding for developing site for trails and possible paddle launch, and requested cost estimate for Phase II.

Development

1. Ewing Young Park and Trails (Improvement masterplan has been completed; one high cost item is a bridge.) - Lisa agreed to head a committee to explore this.
2. Bob and Crystal Rilee Park (No masterplan yet) - Form a 501 (C)3 to lead development - unanimous. Place on hold until funding becomes available or group is mobilized to lead - unanimous.
3. Sander Estate (No masterplan yet, but preliminary plan drafted.) - On hold until School Bond in May, but occasional in-house special events allowed - unanimous.
4. Friends Park - Phase I well underway and will be completed and opened in spring/summer. Phase II anticipated for 2021 or later; superintendent recommended SDC funds and a matching grant. Board agreed to allocate SDCs.
5. Paddle Launch - See above discussion on riverfront property acquisition.
6. Newberg Cultural District - Landscaping is underway for district outdoor priority. Delayed for this year - unanimous.

Other

1. Board policy on parks within new developments, and possible waiving of SDCs - CPRD waives SDCs only for certified nonprofits (case by case basis), but not for subdivision. However, if the subdivision will donate the land, then we will build the park. Discussion: Should CPRD impose requirement that subdivisions should require parks be built into large subdivisions? Agreed not to, since City municipalities' standards address this.
2. Chehalem Heritage Trails - Connecting Newberg and Dundee on two points: a new Bypass trail and new trail along Dayton Ave. Also connect Ewing Young to riverfront property. No money to be spent now, outside of planning consultant. Unanimous.
3. Creation of a campground on designated CPRD property located off Hwy. 219 - Feasibility studies are underway and draft plans exist. Rough estimate \$7 million, 90 full-serve campsites on upper level. Discussion: Grade and preliminarily landscape (eliminate blackberries) in advance of anticipated development, work on water rights and/or wells, and invest in that now. Currently, General Fund money is funding basic maintenance. Staff and Board agreed to consider new parks department positions in budget (Casey requested two full-time employees). Discussion: This is a priority because it should generate revenue, and because it is outdoor recreation. There is no plan for how to spend any money now, but staff will continue to focus on it - unanimous.
4. Golf course - A groundplan for an additional nine holes now exists, but no funding yet. Next consideration would be a permanent clubhouse construction. Don Loving agreed to head a committee. Need a feasibility study on third nine and a clubhouse, with a restaurant which is contracted out. Bart would like a foodcart pod included in the study. Agreed.
5. Sports Complex/Ballfields - soccer particularly - Either build a new complex, or partner on longterm agreements to share existing complexes such as at NHS and GFU. Discussion: Do we need to purchase additional land for needed practice fields, or can we adapt existing property? Parking space must be included. Discussion: Building soccer

fields should be a top and immediate priority. If feasibility study for third nine finds that is not feasible, then that land would be appropriate for soccer fields. Julie agreed to head a committee and Don Loving agreed to be on it. Mike said he would be willing to work with citizens and do polling to see whether there is enough support for ballfields to support a ballot measure. Mike and Julie will examine the prospectus she came up with.

6. Chehalem Paddle Launch - See above discussion on riverfront property acquisition.

7. Chehalem Cultural Center development - Mike suggested discontinuing funding and remove it from our longterm planning process, because they are independent enough now. Lisa agreed she would replace Mike as Board liaison. Board agreed this is not a priority.

8. Chehalem Aquatic and Fitness Center - addition of an outdoor pool - This would be far into the future, so it is not a priority, unless a donor appears.

9. Splashpads - Add more outside aquatic center, instead of an outdoor pool, possibly charge for use. Bart and Lisa said any added in future must be reused water.

10. Debt

IV. Other business - Board agreed to move Jan. 23 Board meeting date to Jan. 30.

V. Adjournment 8:45 p.m.

Respectfully Submitted,

Kat Ricker, Public Information Director

**GENERAL FUND
ACCOUNTS PAYABLE AND PAYROLL
UP TO JANUARY 21, 2020**

| <u>CHECK NUMBERS</u> | <u>AMOUNT</u> | <u>TYPE CHECKS</u> |
|--------------------------------|-----------------------------|--------------------|
| 120816-120866 | \$ 17,687.87 | PAYROLL |
| DIRECT DEPOSIT | \$ 42,847.43 | PAYROLL |
| 120867 VOIDED MISPRINT | | |
| 120868-120871 | \$ 513.05 | ACCOUNTS PAYABLE |
| 120872-120881 GOLF CHECKS | | |
| 120882-120931 | \$ 90,410.92 | ACCOUNTS PAYABLE |
| 120885 VOIDED | \$ <250.00> | ACCOUNTS PAYABLE |
| 120901 VOIDED | \$ < 165.60> | ACCOUNTS PAYABLE |
| 120932-120978 | \$ 15,194.20 | PAYROLL |
| DIRECT DEPOSIT | \$ 39,491.82 | PAYROLL |
| 120979-121016 | \$ 75,373.17 | ACCOUNTS PAYABLE |
| 121014 DUPLICATE | \$ < 52.49> | ACCOUNTS PAYABLE |
| 120984 | \$ < 2,500.00 > | ACCOUNTS PAYABLE |
| 120988 | \$ < 20,997.50> | ACCOUNTS PAYABLE |
| 121017 VOIDED PAPER JAM | | |
| 121018-121066 | \$ 15,861.74 | PAYROLL |
| DIRECT DEPOSIT | \$ 42,196.28 | PAYROLL |
| 121067-121115 VOIDED MISPRINT | | |
| 121116-121118 | \$ 126.25 | ACCOUNTS PAYABLE |
| 121119-121187 VOIDED MISPRINT | | |
| 121188-121258 | \$ 116,612.96 | ACCOUNTS PAYABLE |
| 121259-121298 | \$ 15,110.92 | PAYROLL |
| 121297 VOIDED MISPRINT | | |
| DIRECT DEPOSIT | \$ 41,380.34 | PAYROLL |
| 121299-121371 | \$ 121,841.91 | ACCOUNTS PAYABLE |
| 1881-1892 | \$ 105,690.00 | WIRE TRANSFER |
| 120521-120531 | \$ 2,013.15 | ACCOUNTS PAYABLE |
| 120525 & 120528 VOIDED | \$ < 437.50> | ACCOUNTS PAYABLE |
| 120872-120875 | \$ 698.23 | ACCOUNTS PAYABLE |
| GRAND TOTAL | <u>\$ 718,647.15</u> | |
| <u>BREAKOUT</u> | | |
| <u>ACCOUNTS PAYABLE</u> | \$ 383,186.55 | |
| <u>PAYROLL</u> | \$ 229,770.60 | |
| <u>WIRE TRANSFER</u> | \$ 105,690.00 | |

VOIDED CHECKS NOT LISTED ABOVE

| <u>CHECK NUMBER</u> | <u>AMOUNT</u> | <u>TYPE CHECKS</u> |
|----------------------------|---------------------------|---------------------------|
| 113959 | \$ 37.84 | PAYROLL |
| 114096 | \$ 2.77 | PAYROLL |
| 114224 | \$ 28.37 | PAYROLL |
| 114478 | \$ 14.20 | PAYROLL |
| 114817 | \$ 23.65 | PAYROLL |
| 115123 | \$ 104.73 | PAYROLL |
| 115703 | \$ 33.12 | PAYROLL |
| 117086 | \$ 5.22 | PAYROLL |
| 117249 | \$ 62.00 | PAYROLL |
| 117572 | \$ 39.68 | PAYROLL |
| 118533 | \$ 355.25 | ACCOUNTS PAYABLE |
| 118616 | \$ 64.49 | PAYROLL |
| 118695 | \$ 42.00 | ACCOUNTS PAYABLE |
| 118754 | \$ 29.73 | PAYROLL |
| 118851 | \$ 39.64 | PAYROLL |
| 118912 | \$ 29.94 | ACCOUNTS PAYABLE |
| 118985 | \$ 35.00 | ACCOUNTS PAYABLE |
| 119024 | \$ 44.60 | PAYROLL |
| 119131 | \$ 30.53 | PAYROLL |
| 119265 | \$ 27.00 | PAYROLL |
| 119424 | \$ 103.93 | PAYROLL |
| 120803 | \$ 500.00 | ACCOUNTS PAYABLE |
| GRAND TOTAL | <u>\$ 1,653.69</u> | |

ACCOUNTS PAYABLE FOR SDC FUND

| <u>CHECK NUMBERS</u> | <u>AMOUNT</u> | <u>TO WHOM</u> |
|-----------------------------|-----------------------------|---------------------------|
| 145 | \$ 139,654.28 | ZION BANCORPORATION |
| 146 | \$ 4,750.00 | HANN AND ASSOCIATES, INC |
| 147 | \$ 44,644.82 | CITY OF NEWBERG |
| 148 VOIDED | \$ 6,985.29 | AGRIMIS |
| 149 | \$ 2,935.00 | AGRIMIS |
| 150 | \$ 750.00 | WILCOX & ASSOC. APPRAISAL |
| GRAND TOTAL | <u>\$ 192,734.10</u> | |

ACCOUNTS PYABLE FOR LOAN SERVICE FUND

| <u>CHECK NUMBERS</u> | <u>AMOUNT</u> | <u>TO WHOM</u> |
|-----------------------------|-----------------------|-----------------------|
| WIRES | \$ 0.00 | |
| GRAND TOTAL | <u>\$ 0.00</u> | |

JB

ACCOUNTS PAYABLE FOR CAPITAL POOL CONSTRUCTION & POOL BOND

| <u>CHECK NUMBERS</u> | <u>AMOUNT</u> | <u>TO WHOM</u> |
|----------------------------|----------------|----------------|
| 1210 | \$ 0.00 | |
| GRAND TOTAL | \$ 0.00 | |
| BREAKOUT | | |
| <u>CAPITAL POOL CONST.</u> | \$ 0.00 | |
| <u>POOL BOND DEBT</u> | \$ 0.00 | |

ACCOUNTS PAYABLE FOR FOUNDATION

| <u>CHECK NUMBERS</u> | <u>AMOUNT</u> | <u>TO WHOM</u> |
|----------------------|---------------------|----------------|
| 131 | \$ 2,637.50 | MICHAEL MARR |
| 132 | \$ 27.75 | US BANK |
| 133 | \$ 11,000.00 | CPRD |
| 134 | \$ 5,000.00 | BSN SPORTS |
| 135 | \$ 29.69 | US BANK |
| 136 | \$ 750.00 | SIGN ART |
| 137 | \$ 1,683.80 | US BANK |
| GRAND TOTAL | \$ 21,128.74 | |



**FINANCIAL OVERVIEW
GENERAL FUND SUMMARY**

| DESCRIPTION | AS OF 12/31/18-19 | AS OF 12/31/19-20 | DIFFERENCE |
|----------------------------------|------------------------|-----------------------|------------------------------|
| Total Operational Expense | \$ 2,645,289.10 | \$2,614,981.02 | \$ <30,308.08> |
| Total Capital Outlay & Transfers | \$ 392,410.80 | \$ 290,139.33 | \$ <102,271.47> |
| GRAND TOTAL EXPENSES | \$ 3,037,699.90 | \$2,905,120.35 | \$ <132,579.55> |
| Total Tax Revenue | \$ 2,802,522.27 | \$2,877,986.55 | \$ 75,464.28 |
| Total Fees & Charges Revenue | \$ 1,695,814.96 | \$1,750,238.25 | \$ 54,423.29 |
| Total Other Revenue | \$ 156,169.12 | \$ 80,834.74 | \$ < 75,334.38> |
| Beginning Balance | \$ 1,906,715.27 | \$2,234,011.87 | \$ 327,296.60 |
| GRAND TOTAL REVENUE | \$ 6,561,221.62 | \$6,943,071.41 | \$ 381,849.79 |

SDC FUND SUMMARY

| DESCRIPTION | AS OF 12/31/18-19 | AS OF 12/31/19-20 | DIFFERENCE |
|-----------------------------|-----------------------|-----------------------|------------------------|
| GRAND TOTAL EXPENSES | \$ 52,074.89 | \$ 664,397.89 | \$ 612,323.00 |
| TOTAL REVENUE | \$ 644,938.09 | \$ 957,598.96 | \$ 312,660.87 |
| BEGINNING BALANCE | \$1,346,770.77 | \$2,149,779.94 | \$ 803,009.17 |
| GRAND TOTAL REVENUE | \$1,991,708.86 | \$3,107,378.90 | \$ 1,115,670.04 |

LOAN SERVICE FUND SUMMARY

| DESCRIPTION | AS OF 12/31/18-19 | AS OF 12/31/19-20 | DIFFERENCE |
|-----------------------------|----------------------|----------------------|------------------------------|
| GRAND TOTAL EXPENSES | \$ 320,040.80 | \$ 180,326.98 | \$ <139,713.82> |
| REVENUE TRANSFERS | \$ 320,040.80 | \$ 180,326.98 | \$ <139,713.82> |
| INTREST | \$ 465.58 | \$ 382.46 | \$ < 83.12> |
| BEGINNING BALANCE | \$ 31,991.74 | \$ 32,882.14 | \$ 890.40 |
| GRAND TOTAL REVENUE | \$ 352,498.12 | \$ 213,591.58 | \$ <138,906.54 |

EQUIPMENT AND MAJOR MAINTENANCE FUND SUMMARY

| DESCRIPTION | AS OF 12/31/18-19 | AS OF 12/31/19-20 | DIFFERENCE |
|-----------------------------|-------------------|-------------------|----------------|
| GRAND TOTAL EXPENSES | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| TOTAL REVENUE | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| BEGINNING BALANCE | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| GRAND TOTAL REVENUE | \$ 0.00 | \$ 0.00 | \$ 0.00 |

CAPITAL PROJECT POOL FUND SUMMARY

| DESCRIPTION | AS OF 12/31/18-19 | AS OF 12/31/19-20 | DIFFERENCE |
|-----------------------------|--------------------------------|----------------------|--------------------------------|
| GRAND TOTAL EXPENSES | \$ 4,514,185.51 | \$ 65,197.47 | <\$ 4,448,988.04> |
| GRAND TOTAL REVENUE | \$ <3,968,087.14> | \$ 243,326.19 | <\$ 3,724,760.95> |

BOND LOAN SERVICE SUMMARY

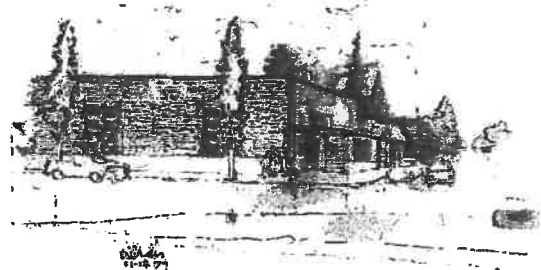
| DESCRIPTION | AS OF 12/31/18-19 | AS OF 12/31/19-20 | DIFFERENCE |
|-----------------------------|------------------------|------------------------|-----------------------------|
| GRAND TOTAL EXPENSES | \$ 350,869.09 | \$ 339,387.67 | <\$ 11,481.42> |
| GRAND TOTAL REVENUE | \$ 1,318,663.01 | \$ 1,481,343.11 | \$ 162,680.10 |

BROWN, TARLOW, BRIDGES & PALMER, PC
Attorneys at Law

JOHN T. BRIDGES
STEPHEN C. PALMER
RICHARD P. BROWN
LOREN G. GAUKROGER

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ALYN E. BROWN
DONALD O. TARLOW
Retired



January 24, 2020

Don Clements
Casey Creighton
Chehalem Park & Recreation District
125 S Elliott Road
Newberg, OR 97132

*Sent via email only to dclements@cprdnewberg.org
and ccreighton@cprdnewberg.org*

Re: Newberg Landfill

Dear Don and Casey:

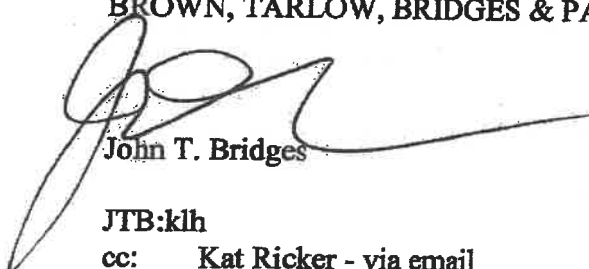
I am following up on my letter of November 8, 2019. Within that letter, I suggested that you evaluate how much it costs on an annual basis for the County to test the site. As more development occurs around that site, you can expect the annual costs to increase. I also recommended that you evaluate what maintaining the soil cap would require. If you need help with either of these items, I am happy to help.

In conversations with Casey, he suggested approaching the County about obtaining an easement to cross the property. The easement could avoid the trouble areas of the property and allow you to install pervious materials that could be used as a trail. If you think that is something to evaluate, we could approach that conversation either through one of the two of you, or through me, and the County Counsel.

I would appreciate some direction on these issues.

Yours Truly,

BROWN, TARLOW, BRIDGES & PALMER, PC


John T. Bridges

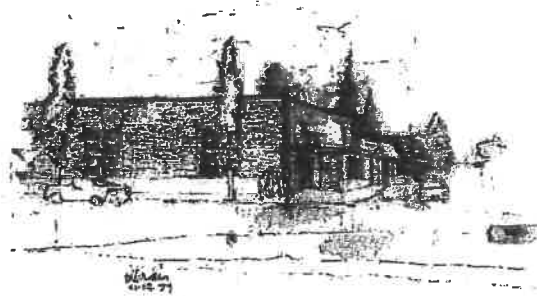
JTB:klh

cc: Kat Ricker - via email

BROWN, TARLOW, BRIDGES & PALMER, PC
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November 8, 2019

Don Clements
Casey Creighton
Chehalem Park & Recreation District
125 S Elliott Road
Newberg, OR 97132

*Sent via email only to dclements@cprdnewberg.org
and ccreighton@cprdnewberg.org*

Re: Newberg Landfill - Phase I Environmental Report

Dear Don and Casey:

By now you have had a chance to at least skim the Phase I Environmental Report. It is a lengthy report with voluminous information. Unbeknownst to me, the company I selected to do the Phase I analysis has done two or three prior reports on the very property that is at issue. That meant that they had a wealth of information readily available. If you will recall with the Friends Park Phase I Report, we typically get very little information in these reports, merely verifying that there are not any problems. In contrast, this report is full of information to be analyzed and considered by the Park District.

In an effort to distill some of the information, I am going to highlight some of the items. The PDF file has its own page numbering, but at the bottom of each page of the actual Phase I report there is a page number for the report. As I refer to the Phase I Report page, I will refer to it as R#, when I refer to a page number within the PDF file, I will refer to it as F#.

Before I mention the different items of interest, I wanted to remind you of the context for this Phase I study. The purpose for doing this investigation is to set the stage to become a Bona Fide Prospective Purchaser (BFPP). If the Park District is a BFPP and they maintain that status during their ownership of the property, then they may be free of liability for clean up costs. To qualify as a BFPP, one must fulfill the following three requirements: 1) All Appropriate Inquiries (AAI) were performed prior to the purchase of the property, pursuant to CERCLA § 101(35)(B); 2) All disposal of hazardous substances occurred before the party acquired the property; and 3) The party has no affiliation with a liable or potentially liable party.

The AAI is satisfied by the Phase I test. This is enhanced because there are numerous samples of gas, water, and soil that are available to us. As you will note in later discussions, I do think there is other well testing that we need to do to satisfy the AAI. Obviously, items 2 and 3 are factually met.

Once you obtain the BFPP status, you essentially have to do a variety of items while you own the property to maintain the status. They include complying with land use restrictions, taking reasonable steps to prevent the release of hazardous substances, cooperating with state or federal environmental protection organizations, providing information on the property, and providing all legally required notices. Those are the federal things you need to do. Under the state rules you would have to do all the environmental reporting that is required under the landfill closure permit. You should also recognize that there could be additional testing or reporting requirements, such as what came about as a result of the residential property being developed across the street (new gas testing sites).

So with that lengthy background, I will address the report and file materials.

R4: Hahn recommends under a Continuing Obligations section that the wells within 600 feet of the site be tested prior to acquisition. I believe there is a well within 400 feet and another right at the 600 foot mark.

R5: There needs to be soil cap preservation. There is some erosion channeling which needs to be fixed. There is a cautionary note that you cannot modify the property without DEQ permission, so there needs to be a good understanding of what "maintenance" of the erosion channeling is.

The use of the southwest corner of the property will potentially be restricted. That is an area where testing for methane has shown significant results. It is a particular problem if there are structures and/or areas where it can accumulate. After further study, there may need to be a set-aside of an area, or an attempt at mitigation.

DEQ has indicated that they will require more monitors to be placed in the north part of the property because there is a residential development being built right across the street from the site.

R6: One of the closure requirements is that a deed specifically describe all of the issues associated with the prior use of the property, including that there is a Closure Permit and restrictions on use, subject to oversight from DEQ. Apparently that has never been done. Before you receive ownership of it, that deed should be recorded and be approved by DEQ before it gets recorded.

On this same page, they recommend decommissioning any septic system. The County should have knowledge as to where the septic systems are. It is possible that they have already been decommissioned and this just needs to be verified.

R31: DEQ expressed additional concerns with regard to the subdivision across the street, known as Riverrun. They are concerned that additional runoff from the impervious surface of the roads and

houses will place more water across the property. They are concerned that this might increase the amount of leachate that seeps out on occasion. They are also concerned with the methane gas issue that I mentioned above.

R38: This page contains a confirmation that the wells and the contamination on the site make this a Recognized Environmental Condition (REC) which triggers all the federal and state protections.

R39: The methane results have shown testing as high as 80% in 2014. They reference Section 8.0 of the report, which triggers the additional gas monitoring.

R41-42: These pages list a series of future tests.

R49: This details some things that need to occur if there is going to be a transfer including seeking approval of DEQ ahead of the transfer and the County notifying DEQ of the transfer within ten days. They also point out that any change of use will likely result in additional controls or measures to be implemented. Periodically, the owner of the property has to draft an Environmental Monitoring Plan (EMP). The County submitted their most recent EMP in January of 2019. They proposed doing the same monitoring that had been done in the past (which would not include the gas monitoring on the north side) but DEQ has not yet approved it. The last approved plan, from 1997, would require twice yearly testing for methane gas at seven gas probes, annual collection of surface water and testing, leachate collection and testing, and ground water testing every five years, the last of which occurred in 2019. It also requires an Annual Environmental Monitoring Report (AEMR).

F136: This is the current DEQ post-closure permit. The current permit is good through December 1, 2024. This document is to be reviewed to determine obligations that the Park District is taking on.

F200: This is a report that Hahn & Associates did previously called a Focused Site Investigation (FSI). It was done in April of 2017 for the purpose of assessing the property for use as a park. F213 starts the conclusions of that report.

As you can see, there is a lot of activity that the Park District would be taking on if they take over the property. The obligations could evolve over time as the river front area develops more fully even without the District asking to change the use. Beyond your obligation to seek DEQ's approval for the transfer, you should also coordinate with both DEQ and the EPA to obtain BFPP status. The value of obtaining that status is underscored by F128 and F129, which is part of a September 29, 2011 Preliminary Hydrogeologic Conceptual Model prepared by Mathiot & Associates, LLC, hard copies of which I have enclosed for your convenience. If there is some sort of movement of the waste field, there could be a significant problem.

One of the reasons we got the Phase I Report beyond trying to position you for being a BFPP was not only to understand your costs but to also have the information necessary to negotiate with the

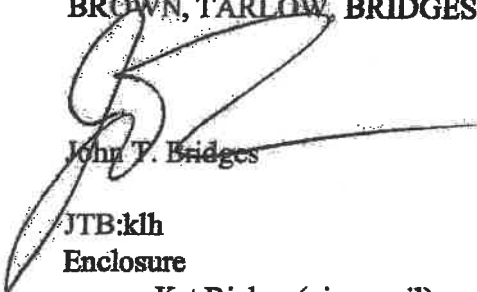
Chehalem Park & Recreation District
Re: Newberg Landfill - Phase 1 Environmental Report
November 8, 2019
Page 4 of 4

County. I think sharing this report with the County might be useful in eliminating their idea that the Park District should be paying them for the property. I do not know what they budget for doing the monitoring and reporting, but I suspect you could look at that on their budget documents to understand what kind of savings they will have going forward, and in turn, what kind of costs you will have.

I think we should sit down and discuss what our strategy should be going forward on a broader perspective. Please do not hesitate to contact me if you have any questions.

Yours Truly,

BROWN, TARLOW BRIDGES & PALMER, PC



John T. Bridges

JTB:klh

Enclosure

cc: Kat Ricker (via email)

5 FINDINGS AND CONCLUSIONS

Unlike modern sanitary landfills, the hydrogeologic characteristics of the NLF site were not well characterized before the landfill was constructed, the landfill did not utilize advanced engineering methods to limit environmental impacts, and the site's environmental monitoring networks are limited and were installed many years after the landfill began operation. In addition, the site is located adjacent to one of the State's most important rivers and less than one half mile from a major municipal water supply well-field. Given these conditions, the potential for significant environmental consequences resulting from the operation of the landfill appears to be very high. However, based on the information presented in this document, the natural setting in which the NLF is located may have significantly limited the amount of environmental degradation. Two factors that were most likely very important in limiting environmental degradation are the 10- to 15-foot of fine textured, flood plain sediment that underlie at least a portion of the landfill waste and the landfill's location adjacent to a regional ground water discharge boundary.

It is clear from the ground water monitoring data that leachate from the landfill did degrade shallow ground water quality in at least the upper portion of the Recent alluvium aquifer. However, the fine textured flood plain deposits that underlie the landfill most likely helped to slow the lateral and vertical migration of leachate from the landfill while at the same time providing some degree of natural attenuation to contaminants contained in that leachate. Unfortunately, the lack of deeper monitoring wells prevents the determination of what impacts, if any, the lower portions of the Recent alluvium aquifer may have experienced.

The presence of a regional ground water discharge boundary immediately down gradient of the landfill significantly reduces the possibility of leachate from the landfill negatively affecting the beneficial use of ground water. Ground water in shallow, intermediate, and deep flow systems beneath the NLF site is more likely to be discharged to surface water than to reach downgradient water supply wells. As for the affect of leachate discharge on surface waters, limited monitoring of water quality in Chehalem Creek and the onsite pond has not demonstrated significant water quality degradation. No monitoring of leachate affects on sediment or pore water quality in Chehalem Creek the onsite pond, or The Willamette River has been conducted.

HAHN AND ASSOCIATES, INC.
ENVIRONMENTAL CONSULTANTS

December 13, 2019

SENT VIA E-MAIL

Mr. Casey Creighton
Chehalem Park & Recreation District
125 S Elliot Street
Newberg, Oregon 97132

HAI Project No. 9543

**SUBJECT: Proposal and Cost Estimate for Phase II Environmental Site Assessment,
2.6-Acre Undeveloped Property, 9009 NE Dog Ridge Road,
Newberg, Oregon**

Dear Mr. Creighton:

At your request, Hahn and Associates, Inc. (HAI) has prepared this proposal and cost estimate for Phase II Environmental Site Assessment (ESA) activities at the above-referenced property. Note that a Phase I ESA for the property is currently in progress. As such, this Phase II ESA has been scoped based on Phase I ESA findings to date, which should be considered preliminary at this time.

1.0 Introduction and Background

HAI is currently conducting a Phase I ESA of the subject property. The Phase I ESA research has identified the following items which are Recognized Environmental Conditions (RECs), as defined by American Society for Testing and Materials (ASTM) Practice E1527-13, in which additional investigation would be necessary to document and further evaluate such conditions:

1. A large soil berm, estimated to be approximately 400 feet long, 75 feet wide, and 10 to 15 feet high, is present on the subject property. This soil reportedly consists of Willamette River bank soils that were excavated during riverbank rebuilding activities conducted at the property and the adjacent upstream pulp mill river frontage in the 1990s. It is possible that historical pulp processing and industrial operations may have adversely impacted the riverbank soils adjacent to and downstream of the pulp mill and wastewater treatment pond.
2. An orchard was located on the eastern and central portions of the property from at least the 1930s through 1953. The types of pesticides, if any, used on the orchard could not be documented. Since the property was used for an orchard, as opposed to rotational crop farming, the same pesticide may have historically been applied to the orchard year after year, allowing for accumulation in soils.

In addition, while not Recognized Environmental Conditions under E1527-13, the following were also noted: 1) as the property was formerly developed with at least two residences and an open pipe (likely a well casing) was noted on the property, former water supply wells may remain; 2) septic systems may also remain on the property; and 3) based on the former use of the property as an orchard, the long-term presence of an adjacent pulp mill, and presence of a large soil berm excavated from pulp mill river frontage, it is possible that low-level hazardous substance impacts may be present in soils at the subject property. Such impacts, if any, could disqualify the affected soils for

re-use as Clean Fill in the event these soils were excavated during future construction activities.

The proposed Phase II ESA activities are intended to address the identified RECs, but do not address "non-REC" items No. 1 (possible former water supply wells); No. 2 (possible former septic systems), or No. 3 (potential presence of hazardous substance impacts in soil above Clean Fill criteria, aside from the testing to be performed in the former orchard and soil berm areas). Determination of the depth and diameter of the presumed former water supply well would be necessary in order to obtain costs for decommissioning of this feature.

Based on the above information, subsurface investigation is recommended at the property to evaluate possible impacts to berm soils and subsurface soils in the former orchard area. This Phase II ESA has been scoped based on our understanding of the property at this time, which could change as the Phase I ESA research progresses.

The proposed investigation is designed to determine the presence or absence of contamination in areas where such contamination would most likely be present based on our current understanding of the site conditions.

2.0 Proposed Phase II ESA Scope of Work

The proposed Phase II ESA activities will involve the following major tasks: 1) scope of work development and project management; 2) soil sampling; 3) laboratory testing; and 4) Phase II ESA report preparation.

2.1 Task 1 – Scope of Work Development / Project Management

This task includes development of an appropriate scope of work for the property, as well as review of available documents and supplemental research as necessary to develop the scope of work. This task also includes development of a work plan and health and safety plan, and other planning and coordination activities throughout the project.

2.2 Task 2 – Soil Sampling

HAI proposes to conduct an investigation to evaluate berm soils and soils in the former orchard area at the property, much of which are now overlain by the soil berm. Based on the thickness of the soil berm (estimated to be on the order of 10 to 15 feet), and its location overlying much of the former orchard area, soil sampling will be completed with the use of a push probe drill rig as well as hand sampling equipment (stainless steel hand auger and/or push probe). The soil investigation will include the installation of a total of approximately 17 direct-push borings to a maximum depth of approximately 16 feet below ground surface (bgs) for the collection of soil samples in the soil berm / former orchard area, including along the top and on the sides of the berm. Additional soil samples will be collected from orchard areas outside of the soil berm via stainless steel hand auger, push probe, or shovel.

The borehole locations will be cleared for installation by identifying any public and private underground utilities within the proposed investigation area. An underground utility locating contractor will be retained to perform the borehole clearance activities.

The boreholes will be advanced with a track-mounted hydraulic push probe drill rig. Continuous soil cores will be obtained during probing from the borings. Soil samples at each location will be collected by placing soil into a new glass sample jar with a Teflon-lined lid in accordance with Incremental Sampling Methodology (ISM) techniques, as described in Section 2.3. Samples for volatile analyses will be collected using EPA Method 5035 field preservation procedures.

Following installation and sampling, each boring location will be backfilled with bentonite to within one foot of land surface, and the surface will be restored to match the surrounding conditions.

Approximately 5 gallons of soil sample waste and 20 gallons of decontamination water waste will be generated during the investigation activities. These wastes will be placed in unpaved areas of the property unless contamination is observed. If the presence of contamination is suspected, then these wastes will be drummed and left on site for later disposal. Disposal of such waste would be at additional cost and can be arranged if desired.

Push probe boring installation work will be performed by an Oregon-bonded and licensed monitoring well constructor.

2.3 Task 3 – Laboratory Testing

Based on recent updates to Oregon Department of Environmental Quality (DEQ) guidance for evaluating former orchard sites¹, it is proposed that Incremental Sampling Methodology (ISM) techniques be used. ISM is a structured composite sampling and processing protocol having specific elements designed to reduce data variability and increase sample representativeness for a specified volume of soil under investigation. For the purposes of this project, the sampling strategy has been modified for the purposes of the evaluation, based on the nature of the soil berm and its location overlying the former orchard area.

It is proposed that soils from throughout the soil berm be evaluated together (i.e., as one "Decision Unit"), and that soils from the upper 0-1 foot beneath the former ground surface of the orchard be evaluated as a second "Decision Unit".

In order to achieve the recommended minimum number of subsamples (30 per Decision Unit), the area encompassing the former orchard area and soil berm will be divided into a grid pattern. Subsamples will be collected from within each grid section of the soil berm, and also from within each grid section of the former orchard area.

For the soil berm, 2 subsamples will be collected from each 5-foot boring interval in each grid section, such that the soil berm ISM sample is comprised of at least 50 subsamples. By collecting this number of subsamples, in accordance with typical DEQ practice, testing of replicate samples from this area (and associated testing costs for multiple analytes) will be avoided.

¹ Oregon Department of Environmental Quality (2019 update). *Guidance for Evaluating Residual Pesticides on Lands Formerly Used for Agricultural Production*. June 2019 update to January 2006 guidance document.

For the former orchard area, 1 subsample will be collected from the 0-1 foot interval of the former orchard ground surface in each grid section of the former orchard area, such that the former orchard area ISM sample is comprised of a minimum of 30 subsamples. For this Decision Unit, two additional replicate samples will be tested as recommended by ISM practices.

Stockpile Berm Soil Testing

The ISM soil sample from the berm soil will be analyzed for chemicals typically of concern at pulp and paper mill sites, as well as chemicals that may be associated with riverbank sediments and/or commercial/industrial operations. It is proposed the ISM soil samples be tested for the following:

- Dioxins and furans by EPA Method 1613B
- Semi-volatile organic compounds (including phenols and chlorinated phenols) by EPA Method 8270
- Metals [8 Resource and Conservation Act (RCRA) metals] on a total basis by EPA Method 6000/7000 series.
- Gasoline-range total petroleum hydrocarbons (TPH) by NW Method TPH-Gx
- Diesel-range and oil-range TPH by NW Method TPH-Dx
- Polynuclear aromatic hydrocarbons (PAHs) by EPA Method 8270 SIM
- Volatile Organic Compounds (VOCs) by EPA Method 8260B
- Polychlorinated biphenyls (PCBs) by EPA Method 8081
- Organochlorinated pesticides by EPA Method 8081
- Chlorinated herbicides by EPA Method 8151

Former Orchard Area Soil Testing

The ISM soil sample from the former orchard area will be analyzed for the following:

- Arsenic and lead on a total basis by EPA Method 6010D (metals typically associated with historical orchard operations)
- Organochlorinated pesticides by EPA Method 8081

The local laboratory we propose to use is Apex Labs, of Tigard Oregon, who will conduct the ISM compositing process and testing, aside from the dioxin/furan testing. For the dioxin/furan testing, Apex Labs will contract this testing to a qualified Oregon-certified laboratory.

2.4 Task 4 – Phase II ESA Report Preparation

Upon completion of the field activities and receipt of the testing results, a Phase II ESA report will be prepared that will contain a description of the work activities, a representation of the distribution of any contamination encountered, and the analytical testing results. Concentrations of contaminants detected in the samples, if any, will be reported in tabular form. The attachments will include copies of field boring logs,

laboratory analytical reports, and chain-of-custody documentation. The significance of findings will be elaborated upon in the report.

3.0 Estimated Costs

The estimated costs for each of the proposed Phase II tasks are as follows:

| <u>Task</u> | <u>Activity</u> | <u>Estimated Cost</u> |
|---|--|-----------------------|
| Task 1 | Project Design, Planning, and Coordination | \$800 |
| Task 2 | Soil Investigation | \$12,900 |
| | HAI Labor and Equipment | \$7,700 |
| | Utility Locating Subcontractor | \$350 |
| | Drilling Subcontractor | \$4,850 |
| Task 5 | Laboratory Testing | \$4,500 |
| | Laboratory Testing – Berm Soil | \$2,650 |
| | Laboratory Testing – Orchard Soil..... | \$1,850 |
| Task 4 | Phase II ESA Report Preparation | <u>\$3,200</u> |
| Total Phase II Cost Estimate | | \$21,400 |

This cost estimate does not represent a lump sum, as HAI will invoice this project on a time and materials basis in accordance with the then current HAI Schedule of Fees. HAI may apply budget from one task to another task to complete the scope of work.

If contamination is identified at the site, additional evaluation and costs may be necessary. HAI will notify the Client in the event that such a situation arises and will not proceed with additional tasks without Client's prior authorization.

4.0 Estimated Schedule

Upon notice to proceed, field activities will be initiated within approximately one week, depending on driller availability. Analytical testing will be on standard (two week) turnaround, with up to one additional week likely required for the ISM processing and sample shipping. A written report will be available two weeks following receipt of all testing results.

5.0 Conditions and Limitations

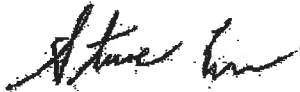
The project will be conducted with the following assumptions, conditions, and limitations:

- When preparing estimated costs for subsurface investigation projects, it is not possible to predict the presence or extent of potential contamination, nor the variety of additional tasks that may be necessary to address any contamination identified. HAI will notify you in the event that such a situation arises and will not proceed with additional tasks without your prior authorization.
- It is assumed that the proposed boring locations will be accessible to push probe drilling equipment.

- It is assumed that the borings will be able to be advanced by push probe and/or by hand auger, but it is possible that adverse soil conditions (the presence of gravel, cobbles, or debris) may limit or prevent advancement of borings for sample collection.
- The information presented in the final report will represent only the conditions where sampling occurred and based on the composited ISM samples tested. Extrapolations of those findings over the project site, if any, are intended to help illustrate the presence and magnitude of contamination. Conversely, the lack of detectable chemicals does not necessarily translate to an overall uncontaminated site, but uncontaminated conditions only at the sampling point and time.
- All work undertaken in connection with this project will be invoiced on a time and materials basis in accordance with the then current HAI Schedule of Fees (attached).

If there are any comments or questions regarding this proposal and cost estimate, please contact the undersigned. Thank you for the opportunity to be of service.

Sincerely,



Steve Evans
Associate

stevee@hahnenv.com

Attachments: Schedule of Fees

Schedule of Fees

**Technical and Professional Services
and Reimbursable Expenses**
(Effective 01/01/19)

| | |
|-------------------------------------|---------------|
| Principal | \$205/hr. |
| Senior Associate | \$175/hr. |
| Associate | \$150/hr. |
| Senior Project Manager | \$130/hr. |
| Project Manager/Field Manager | \$115/hr. |
| Senior Environmental Scientist | \$100/hr. |
| Environmental Scientist | \$ 90/hr. |
| Environmental Technician | \$ 80/hr. |
| Administrative/Clerical | \$ 60/hr. |
| | |
| Travel and Subsistence | Cost plus 15% |
| Outside Services and Subcontractors | Cost plus 15% |
| Copies | \$0.25 each |
| Mileage | \$0.95/mi. |
| Field Vehicle | \$100/day |

Schedule of Fees and Standard Equipment Rates subject to change without notice.

BROWN, TARLOW, BRIDGES & PALMER, PC
Attorneys at Law

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STEPHEN C. PALMER
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ALYN E. BROWN
DONALD O. TARLOW
Retired

January 24, 2020

Don Clements
Casey Creighton
Chehalem Park & Recreation District
125 S Elliott Road
Newberg, OR 97132

*Sent via email only to dclements@cprdnewberg.org
and ccreighton@cprdnewberg.org*

Re: Westrock Donation Property

Dear Don and Casey:

By now you have had an opportunity to look over the Phase I report for the Westrock donation property. I am enclosing the Executive Summary as well. It concludes that the District should do Phase II testing. Ms. Eskes recommends two mandatory tests and two additional tests not in response to a Recognized Environmental Condition (REC). To accomplish the All Appropriate Inquiries (AAI) standard the Phase II test needs to be done.

This piece of property is in different circumstances than the Newberg Landfill. The landfill went through a closure process and has extensive post-closure testing requirements and other restrictions that would apply to maintain the AAI Bonafide Purchaser status. On this property, there is no regulatory work or investigation, and therefore no closure or decision for No Further Action. However, the Phase I clearly identifies that there is a REC, and that is why the company recommends you do some testing. Essentially, there are two main areas of testing and then two additional areas for work and/or investigation.

The first area for testing is the berm that is on the site. I had heard from Casey that somebody thought the berm was generated as a result of digging a trench to put in a pipe on the Mill site. By my calculation, the berm contains 120,000 cubic yards of material. That would be a tremendously large or long trench. Because that material came from the Westrock site, both downhill and downstream from the mill plant and settling pond, it may not be clean fill. If it is not clean fill, you will not be able to move it from the site, move it around the site, or use it on the site without restrictions. As a result, the engineer is recommending testing so you can understand how the berm

Chehalem Park and Recreation District
Re: Westrock Donation Property
January 24, 2020
Page 2 of 2

will limit what you can do with the property and/or how much it would cost you to remove it as an impediment to using the property.

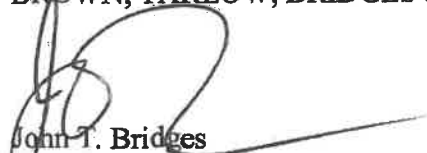
Unfortunately, they put the berm right over a 40+ year old orchard. Because the orchard was likely to have had pesticides applied to it, it is also an REC. The testing that the engineer proposes is to determine whether there has been a build-up of any of the pesticides that likely were used in the orchard. The build-up of the chemicals could lead to the same sort of problem that the berm presents.

The additional things that might require repair and/or further investigation and possibly repair include two wells and likely two septic systems from two homes that were built several decades apart and on different parts of the property. There is clearly the need to repair one well because the casing for it appears to be open. The other well location, and whether it was properly abandoned, needs to be investigated. Likewise, whether both septic systems were appropriately abandoned needs to be verified, and if they were not, that repair work would need to be done. These investigations and/or repairs could potentially cost several thousand dollars.

As you will note from the time and materials bid, having the soil tested from both the berm and the orchard is a much more expensive proposition. Despite the expense, I would recommend that you do the testing, if you are still inclined to consider accepting the donation. You need to have a clear idea of what it is you are receiving with the donation. Please let me know what you wish to do on this matter.

Yours Truly,

BROWN, TARLOW, BRIDGES & PALMER, PC



John T. Bridges

JTB:klh

Enclosure

cc: Kat Ricker - via email

A PHASE I ENVIRONMENTAL SITE ASSESSMENT

2.6-Acre Undeveloped Property
9009 NE Dog Ridge Road
Newberg, Yamhill County, Oregon

January 21, 2020

HAI Project No. 9533



HAI HAHN AND ASSOCIATES, INC.
434 NW 6TH AVENUE, SUITE 203
PORTLAND, OREGON 97209-3651
TEL 503.796.0717 • FAX 503.227.2209
www.hahnenv.com

ENVIRONMENTAL CONSULTANTS
ASSESSMENT
INVESTIGATION
REMEDIATION

A PHASE I ENVIRONMENTAL SITE ASSESSMENT

Project Location:

2.6-Acre Undeveloped Property
9009 NE Dog Ridge Road
Newberg, Yamhill County, Oregon

Prepared For:

Chehalem Park & Recreation District (Client/User)
c/o Mr. Casey Creighton
125 S Elliot Street
Newberg, Oregon 97132

Prepared By:

Hahn and Associates, Inc.
434 NW 6th Avenue, Suite 203
Portland, Oregon 97209-3651
www.hahnenv.com

Date: January 21, 2020

Project No.: 9533

Certification:

We, Nora Eskes and Steve Evans, declare that, to the best of our professional knowledge and belief, we meet the definition of Environmental Professional as defined in Title 40 of the Code of Federal Regulations (CFR) Part 312. We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in Title 40 CFR Part 312.

Prepared By:


Nora Eskes, E.P.
Principal

Date: 21 January 2020

Reviewed By:


for Steve Evans, R.G., E.P.
Associate

Date: JANUARY 21, 2020

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- E Environmental Data Resources, Inc. *The Radius Map™ Report*, November 18, 2019
- F Oregon Department of Environmental Quality: Selected Documents for the Smurfit Newberg Pulp Mill Site

1.0 EXECUTIVE SUMMARY

Hahn and Associates, Inc. has performed this Phase I Environmental Site Assessment in conformance with the scope and limitations of the American Society for Testing and Materials Practice E1527-13 at the request of Chehalem Park & Recreation District. The Phase I Environmental Site Assessment consisted of a Site Reconnaissance, an historical and physical features evaluation of the subject property, an examination of the surrounding land uses, and an environmental database review of the property and of the surrounding land uses. Any exceptions to, or deletions from, this practice are described in Section 11.0 of this report.

Viability of Report

For the purposes of Landowner Liability Protections under the federal Comprehensive Environmental Response, Compensation, and Liability Act, a Phase I Environmental Site Assessment conducted in conformance with the American Society for Testing and Materials Practice E1527 is valid for a period of 180 days. For extended viability beyond 180 days, the report may be updated within one year of the initial assessment and will be valid for an additional 180 days. If more than one year passes from the date of the initial assessment, a new Phase I Environmental Site Assessment would need to be conducted in order to qualify for the federal protections.

Subject Property

Undeveloped Willamette Riverfront Property

- 9009 NE Dog Ridge Road, Newberg, Yamhill County, Oregon
- Other current or historical property addresses: None known

Site Description

- Size: 2.6 acres
- Current Use: Undeveloped, vegetated
- Significant Features: Large berm of imported soil
- Vicinity Characteristics: Idled pulp mill, municipal wastewater treatment plant, residential use and small-scale farmland, south of city limits, Newberg, Yamhill County, Oregon.

Site History

- At least 1930s – 1953: Orchard on relatively flat eastern and central upland areas; Steeply sloping western and northernmost portions wooded; structures on eastern portion
 - 1936: Structure present near northern perimeter, eastern portion

- 1944 – 1953: Previous structure no longer present; Single-family residence present, eastern portion
- 1963 – 1970: Eastern and central portions cleared of orchard trees; Residence still present on eastern portion, two outbuildings also present; Western portion wooded
- 1982: Former structures no longer present; Open field on eastern portion; Western portion wooded
- 1991: Single-family residence constructed on central portion, near southern perimeter; Open field on eastern portion, western portion wooded as in 1982
- Late 1990s: Residence removed; soil excavated from Willamette riverbank disposed on central and eastern portions
- 2000 – Present: Soil berm present on central and eastern portions; west-central portion wooded; westernmost portion cleared of trees

Site Reconnaissance

The Site Reconnaissance identified:

- Recognized Environmental Conditions

The Site Reconnaissance did not identify evidence of:

- Significant quantities of hazardous substances, petroleum products or hazardous waste
- *De minimis* conditions
- Controlled Recognized Environmental Conditions
- Historical Recognized Environmental Conditions

Recognized Environmental Conditions

Historical Orchard Usage

- Orchard, central and eastern portions of property, 1930s-1950s

Large Berm of Imported Soil

- Approximately 400 feet long, 75 feet wide, 10 to 15 feet high
- Reportedly derived from riverbank soils excavated from onsite and adjacent (upstream) pulp mill river frontage area

Other Site Features

Water Supply Well:

- Two residences formerly present, likely served by separate water-supply wells; records, interviews, and site observations indicate the current presence of at least one out-of-use water-supply well
 - 1991: Interviews and records indicate the installation of one water supply well - no record or report of abandonment
 - Open pipe, likely a well casing, observed on eastern portion of property - no evidence of proper well abandonment

Possible Onsite Septic Systems:

- Possible onsite septic systems for former residences may remain onsite

Former Orchard / Adjacent Pulp Mill / Imported Fill Soil – Potential Soil Contamination:

- Based upon the former use of the property as an orchard (1930s-1950s), the long-term presence of an adjacent pulp mill, and the presence of a large soil berm excavated from pulp mill river frontage, it is possible that hazardous substances impacts may be present in soils at the subject property. Such impacts, if any, could disqualify the affected soils as Clean Fill for unrestricted management, reuse and/or disposal. In the event of future site construction activities that involve the excavation and removal of site soils, special management of any such impacted soils may be required.

Records Review

The review of state and federal environmental records disclosed a number of sites located within a 1.0-mile radius of the subject property that are currently or have previously been under review for environmental issues. However, these sites do not appear to represent a Recognized Environmental Condition for the property at this time.

Conclusions and Recommendations

This Phase I Environmental Site Assessment revealed evidence of Recognized Environmental Conditions in connection with the subject property. From the data that was assembled during the course of this investigation, it is the professional opinion of Hahn and Associates, Inc. that further investigatory work in the form of a Phase II Environmental Site Assessment appears to be necessary for the subject property.

The Recognized Environmental Conditions identified at the property, along with Phase II recommendations, are:

1. An orchard was located on the eastern and central portions of the subject property from at least the 1930s through 1953. The type(s) of pesticides, if any, used on the orchard could not be documented. Since the property was used for an orchard, as opposed to rotational crop farming, the same pesticide may have historically been applied to the orchard year after year, allowing for accumulation in the soils.

Recommendation: An investigation in the area of the former orchard area should be performed to determine if site soils have been adversely impacted by persistent agricultural chemicals.

2. A berm of imported soil was present on the subject property. The berm was estimated to be approximately 400 feet long, 75 feet wide, and 10 to 15 feet high. Reportedly, this soil consisted of Willamette River bank soils that were excavated from the property and the adjacent upstream pulp mill river frontage during riverbank rebuilding activities conducted in the 1990s. It is possible that historical pulp processing and industrial operations may have adversely impacted the riverbank soils adjacent to and downstream of the pulp mill and wastewater treatment pond.

Recommendation: An investigation of berm soils should be performed to determine if these imported soils have been adversely impacted by historical pulp mill operations.

In addition, while not Recognized Environmental Conditions under E1527-13, the following information is presented:

1. Based upon the former use of the property as an orchard (1930s-1950s), the long-term presence of an adjacent pulp mill, and the presence of a large soil berm excavated from pulp mill river frontage, it is possible that low-level hazardous substances impacts may be present in soils at the subject property. Such impacts, if any, could disqualify the affected soils for re-use as Clean Fill, or for unrestricted management and reuse or disposal in the event of future site construction activities that involve the excavation and removal of site soils.

Recommendation: If construction activities are planned at the subject property in the future, then it may be prudent to conduct a Clean Fill Determination for any soils that are slated for excavation and removal. The Oregon Department of Environmental Quality has established criteria that can be used to assist in soil management decisions.

2. Oregon Water Resources Department records indicate that in 1991 a water supply well was installed on the subject property. Further, an open pipe that appeared to be a well casing was observed at the property. Based upon the former presence of two separate residences (1940s – 1970s, and 1990s), it appears likely that at least two water supply wells historically served the property, and may remain onsite.

Recommendation: The function of the open pipe should be verified. In the event that it corresponds to a well, it should be properly abandoned in accordance with all applicable regulations. Further, if any additional wells are identified on the property, they should be properly abandoned in accordance with all applicable regulations.

3. At least one, and likely both of the residences formerly located on the subject property, were served by on-site septic systems.
Recommendation: in the event that any septic systems are encountered during future site redevelopment activities, they should be decommissioned according to the applicable regulations.

A PHASE I ENVIRONMENTAL SITE ASSESSMENT

2.6-Acre Undeveloped Property
9009 NE Dog Ridge Road
Newberg, Yamhill County, Oregon

January 21, 2020

HAI Project No. 9533



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Prepared For:

Chehalem Park & Recreation District (Client/User)
c/o Mr. Casey Creighton
125 S Elliot Street
Newberg, Oregon 97132

Prepared By:

Hahn and Associates, Inc.
434 NW 6th Avenue, Suite 203
Portland, Oregon 97209-3651
www.hahnenv.com

Date: January 21, 2020

Project No.: 9533

Certification:

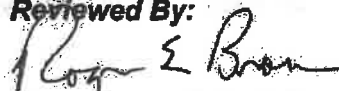
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Prepared By:


Nora Eskes, E.P.
Principal

Date: 21 January 2020

Reviewed By:


for Steve Evans, R.G., E.P.
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The Recognized Environmental Conditions identified at the property, along with Phase II recommendations, are:

1. An orchard was located on the eastern and central portions of the subject property from at least the 1930s through 1953. The type(s) of pesticides, if any, used on the orchard could not be documented. Since the property was used for an orchard, as opposed to rotational crop farming, the same pesticide may have historically been applied to the orchard year after year, allowing for accumulation in the soils.

Recommendation: An investigation in the area of the former orchard area should be performed to determine if site soils have been adversely impacted by persistent agricultural chemicals.

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Recommendation: An investigation of berm soils should be performed to determine if these imported soils have been adversely impacted by historical pulp mill operations.

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Recommendation: If construction activities are planned at the subject property in the future, then it may be prudent to conduct a Clean Fill Determination for any soils that are slated for excavation and removal. The Oregon Department of Environmental Quality has established criteria that can be used to assist in soil management decisions.

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Recommendation: The function of the open pipe should be verified. In the event that it corresponds to a well, it should be properly abandoned in accordance with all applicable regulations. Further, if any additional wells are identified on the property, they should be properly abandoned in accordance with all applicable regulations.

3. At least one, and likely both of the residences formerly located on the subject property, were served by on-site septic systems.

Recommendation: in the event that any septic systems are encountered during future site redevelopment activities, they should be decommissioned according to the applicable regulations.

2.0 INTRODUCTION

2.1 Purpose

Chehalem Park & Recreation District (the Client/User) retained the environmental consulting firm of Hahn and Associates, Inc. (HAI) to perform a Phase I Environmental Site Assessment (ESA) of the 2.6-acre undeveloped property located at 9009 NE Dog Ridge Road, Newberg, Yamhill County, Oregon.

This Phase I ESA was undertaken by the Client/User for the purpose of identifying Recognized Environmental Conditions (RECs) at the property, that is, *the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to any release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment.* This report is intended to constitute *All Appropriate Inquiries* (AAI) for purposes of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

2.2 Detailed Scope-of-Services

The scope of work for this project followed the American Society for Testing and Materials (ASTM) guideline (E1527-13) entitled *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*. This scope of work is strictly limited to the scope set forth in ASTM E1527-13 unless specifically noted herein and detailed in the services agreement for this project. The U.S. Environmental Protection Agency (EPA) has stated that the ASTM E1527-13 standard may be used to comply with meeting the objectives and performance factors of 40 Code of Federal Regulations (CFR) Part 312 Standards for *All Appropriate Inquiries, Final Rule* (40 CFR 312.11). All appropriate inquiries must be conducted in compliance with E1527-13 to obtain protection from potential liability under CERCLA as an innocent landowner, a contiguous property owner, or a bona fide prospective purchaser. Any deviations to or from ASTM E1527-13 are described in Section 9.0 *Deviations*.

In accordance with E1527-13, information on the property under consideration was gathered through the following activities:

- Physical inspection (site visit)
- Observation of the physical features of the property

- Survey of the surrounding land uses
- Interviews of knowledgeable persons, when available and as pertinent, including
 - Current and past owners
 - Current and past operators
 - Current and past occupants
 - Others
- Review of the available historical documents
- Review of recorded environmental cleanup liens and Activity and Use Limitations (AULs), as provided to HAI by the Client/User, for the purpose of CERCLA Landowner Liability Protections
- Reviews of federal, tribal, state, and local government records
- Examination of other pertinent documents, such as, but not limited to, photographs and maps

In accordance with the services agreement for this project (Appendix A) and unless specifically noted herein, the Phase I ESA review and inspection activities did not include items that were outside the scope of ASTM E1527-13 (also known as non-scope considerations) that may exist on a property that are beyond the scope of E1527-13, but may warrant consideration by parties to a commercial real estate transaction. Non-scope considerations include certain environmental conditions such as, but not limited to, the following:

- Asbestos
- Lead-Based Paint (LBP)
- Lead in Drinking Water (LIW)
- Electromagnetic Radiation
- Cultural and/or Historical Resources
- Indoor Air Quality (e.g. Vapor Intrusion, Radon, Etc.)
- Fungi (e.g. Mold)
- Wetlands And Other Ecological Resources
- Endangered Species
- Health and Safety
- Regulatory Compliance
- Determination of the Suitability of a Property or its Structures for any Purpose

NOTE: this list is not intended to be an all-inclusive list of all possible environmental conditions that may exist on a property that are outside the scope of ASTM E1527-13 and this report. Further, no implication is intended as to the relative importance of inquiry into such non-scope considerations.

While issues pertaining to asbestos are not within the scope of ASTM E1527-13, this report does comment on the possible presence of suspect asbestos-containing materials (ACMs), based upon 1) the age(s) of the property structure(s); and 2) physical observations during the site visit of visually accessible materials. However, a formal asbestos survey was not performed for the subject property,

Additionally, while indoor air quality is not within the scope of ASTM E1527-13, the Phase I ESA review and inspection activities have included an assessment of the likelihood of an impact to the subject property and its structures from migrating hazardous substances and petroleum products in any form, including solid and liquid at the surface or subsurface, and vapor in the subsurface, in accordance with ASTM E1527-13 and *All Appropriate Inquiries*. However, a formal Vapor Intrusion Assessment was not within the scope of this Phase I ESA and was not performed for the subject property.

2.3 Significant Assumptions

User's Responsibilities

Unless specifically noted herein, it is the obligation of the Client/User of this Phase I ESA to provide HAI with certain information as specified in ASTM E1527-13 as the *User's Responsibilities*, including:

- A Title Report that includes the required search for recorded environmental liens and activity and use limitations (AULs), as well as any actual knowledge thereof
- Information regarding any specialized knowledge or experience, or commonly known information that may be material to identifying RECs at the subject property
- Information regarding the reason for a significantly reduced property purchase price (lower than fair market value)

Inferred Groundwater Flow Direction

For the purpose of evaluating the potential for groundwater contamination from offsite sources to impact the subject property, or from onsite sources to impact surrounding areas, the uppermost groundwater flow has been inferred to generally follow surface topography, and to flow toward surface water bodies, unless specific information is available regarding groundwater flow direction. HAI has not field-checked any of the site hydrogeological information for accuracy, nor did HAI conduct an independent evaluation of the local geology.

Accuracy/Completeness

The accuracy and completeness of "readily available" recorded information and historical documentation varies among and within information sources, including governmental sources. Historical records and documentation are often inaccurate or incomplete, or may provide conflicting information. Similarly, the accessibility to or the ease of retrieval of such records may vary or be inconsistent.

Under ASTM E1527-13, the Client/User or Environmental Professional (EP) is not obligated to identify mistakes or insufficiencies in the information provided or obtained. HAI has made a reasonable effort to take into consideration the possible significance of any such mistakes or insufficiencies that are obvious in light of the available information of which HAI has actual knowledge.

Limitations and Exceptions

This report is not intended to be an exhaustive investigation of environmental conditions or a characterization of any contamination discovered. In performing an environmental site assessment, a balance must be struck between the desire to conduct a complete inquiry into environmental matters and the limits of time, cost and technology.

This report sets forth HAI's evaluation of the possibility of RECs based on the scope of work agreed to by the Client and within the Client's schedule and budget. HAI's limitations and exceptions are described in Section 11.0 *Limitations* and in the *Services Agreement* for this project.

Special Terms and Conditions

None.

2.4 User Reliance

Unless otherwise specified in writing, this report has been prepared solely for use by the Client and User(s), as identified in Section 2.1 *Purpose*, for use only in connection with the described property, subject to the limitations and conditions presented in Section 11.0 *Limitations* and in the *Services Agreement* for this project. Any other use by the Client/User(s) or any use by any other person shall be at the user's sole risk, and HAI shall have neither liability nor responsibility with respect to such use.

3.0 SITE BACKGROUND

3.1 Location and Legal Description

The subject property consisted of Tax Lot 100, located in the SE 1/4 of Section 29, Township 3 South, Range 2 West, Willamette Meridian (W.M.).

| Street Address | Tax Lot | Acreage | Improvement |
|------------------------|------------------------------------|------------------------|--------------------|
| 9009 NE Dog Ridge Road | 100 | 2.6 | None - Undeveloped |
| Latitude: 45.281443 | | Longitude: -122.956380 | |
| Owner | WestRock Northwest, LLC (WestRock) | | |

Source: Yamhill County Department of Assessment and Taxation records

3.2 Site and Vicinity General Characteristics

| City of Newberg | Yamhill County | Oregon |
|---|--|----------------------------|
| Approximate Distance From Downtown Core | | 1.4 miles SE (Figure 1) |
| Adjacent Streets / Geographic Features | | |
| Northeast | Dog Ridge Road | Southwest Willamette River |
| General Vicinity Characteristics (Figure 2) | Mixed use area: Idled pulp mill, municipal wastewater treatment plant, residential usage, some small scale agriculture, outside (south) of Newberg city limits | |

3.3 Current Use of the Property

| | |
|-------|--|
| Usage | Undeveloped, vegetated land. No current usage. |
|-------|--|

See Figure 2

3.4 Current Uses of the Adjoining Properties

The surrounding properties consisted of an idled pulp mill to the northwest, undeveloped land to the northeast, and Hess Creek Boatworks and rural residences with some small-scale farming to the east and southeast. The Willamette River bordered the subject property to the west-southwest, as tabulated below and shown in Figure 2.

| Surrounding Properties | |
|------------------------|--|
| Direction | Description |
| Northwest | Immediately adjacent (upstream) pulp mill* wastewater treatment lagoon ("South Lagoon"); Nearest mill structures at least 0.25 mile to the northwest |
| Northeast | Dog Ridge Road, followed by undeveloped vegetated land |
| East and Southeast | Dog Ridge Road, followed by Hess Creek Boatworks, rural residences and some small-scale farming |
| Southeast and South | Rural residences and some small-scale farming |
| Southwest and West | Willamette River |

* See Section 7.0 *Site History* and Section 8.0 *Records Review*

3.5 Physical Setting Sources

3.5.1 Topography

| | |
|--------------------------------------|---|
| Terrain | Relatively flat eastern upland majority; steeply sloping northernmost and western portions |
| Elevation Range (Approximate) | 60 to 160 feet above mean sea level (msl) |
| General Topographic Gradient | Series of relatively flat benches and steep slopes, overall westward slope towards the Willamette River |

Source: U.S. Geological Survey 7.5-Minute Quadrangle, Newberg, Oregon, 1985 (Figure 1)

3.5.2 Geology

According to the U.S. Geological Survey *Geologic Map of Oregon*, 1991, the soils in the vicinity of the subject property are underlain by the following Geologic Unit(s):

| | |
|----------------------|---|
| Geologic Unit | Qs - Pleistocene lacustrine and fluvial sedimentary rocks |
| Description | Unconsolidated to semiconsolidated lacustrine clay, silt, sand, and gravel, which in places may include mudflow and fluvial deposits as well as discontinuous layers of peat. |

3.5.3 Hydrogeology

An open pipe casing that appears to be a wellhead for an out-of-use water-supply well was observed on the subject property. Oregon Water Resources Department (OWRD) records included a record for a domestic well installed

on the property in 1991 for Mr. Tony Kroo, who owned the property at that time. The depth to first groundwater at this well was measured at 40 feet below ground surface (bgs). OWRD records did not include any additional records for the property. An OWRD well log report for all registered wells in Section 29 of Township 3 South, Range 2 West, W.M. indicated the depth to first groundwater at a south-adjacent property (8955 Dog Ridge Road) it was measured at 17 feet bgs. Depth to first groundwater at several additional wells in the vicinity of the property ranged from approximately 8 to 59 feet bgs (Appendix B). HAI did not field-check any of the site geological or hydrogeological information for accuracy as a part of this environmental site assessment.

4.0 SITE RECONNAISSANCE

| | |
|-------------------------------|--|
| Date: December 3, 2019 | Adverse Conditions: None |
| Conducted By: | Ms. Nora Eskes, E.P. |
| Accompanied by: | Mr. Mitchell Jansen and Mr. Robert Roholt, Onsite Facilities and Environmental Managers for WestRock, the property Owner |

4.1 Methodologies and Limiting Conditions

The methodologies for conducting the Site Reconnaissance of the subject property included:

- Visual inspection of the property perimeter
- Visual inspection of the remainder of the property, which was inspected from the accessible footpaths and access roads.

Due to the presence of dense vegetation and steep terrain at the western portion of the subject property, these areas were not physically accessible, and were not fully inspected.

- Visual inspection of the adjoining properties from the subject property boundary, public rights-of-way, or other vantage points (e.g., aerial photography).

The visual inspection of the subject and adjoining properties endeavored to identify areas where hazardous substances and petroleum products may be or may have been stored, treated, handled or disposed.

4.2 General Site Observations

The subject property consisted of undeveloped land utilized by WestRock (the property Owner) as a buffer zone between the northwest-adjacent pulp mill property and the residential areas to the southeast.

Interior Areas

As the subject property was undeveloped at the time of the site visit, interior areas were not identified.

Exterior Areas

The subject property was undeveloped and vegetated at the time of the site visit. The eastern and central upland portions were relatively flat and covered with grass and also a large berm of imported soil that was covered with recently mowed blackberry canes and was planted on its south side with a row evergreen trees (Photographs 1 and 2, Figure 2) (see Section 4.7 *Solid Waste Disposal / Fill Materials* for further detail regarding the imported soil). The northernmost and western portions of the property sloped steeply to the northwest (northern portion) and southwest (western portion), and were wooded or vegetated with scrub vegetation, including blackberry vines (Photographs 3 and 4).

An open pipe, approximately 6 inches in diameter, was observed at the east-central portion of the subject property (Photograph 5, Figure 2). This pipe was inferred to be a well casing for an out-of-use water supply well.

Blue posts marking the location of a subsurface water pipeline were observed on the subject property (Photograph 4, Figure 2), as was a white PVC pipe that reportedly housed a slope stability meter used to monitor riverbank movement (Figure 2).

Evidence of releases of hazardous substances or petroleum products, such as stains, soil discoloration, odors, distressed vegetation, or other visible indications of impairment, was not noted on the subject property.

Utilities

As the subject property was undeveloped, utility connections were not observed at the property. The property was historically developed with a total of two rural residences during two different eras (1940s-1970s, and 1990s). The most recent residence is known to have been served by electric

power, an onsite water supply well, and an onsite septic system. It is inferred that the earlier residence was similarly served.

Surrounding Properties

The immediately adjacent area located to the northwest consisted of a wastewater treatment and settling pond (Photograph 6), known as the South Lagoon, that received pulp mill waste water from the 1950s through November 2015, at which time the mill operations were shut down.

Aside from the above-described wastewater lagoon, evidence of the usage, storage, or disposal of hazardous substances, petroleum products or RECs on the adjoining parcels and right-of-way areas was not observed from the property boundary or from the public right-of-way.

4.3 Storage Tanks

4.3.1 Underground Storage Tanks

During the assessment activities, the subject property was inspected for visual evidence of underground storage tanks (USTs). Visual evidence of USTs would include fill caps, vent pipes, and pump islands.

In addition, the following resources were queried / reviewed regarding UST records pertaining to the subject property:

- Tualatin Valley Fire & Rescue – *This agency does not maintain records of underground storage tanks*
- The Oregon Department of Environmental Quality's (DEQ) Registered UST Facility, Leaking Underground Storage Tank (LUST), and Heating Oil Tank (HOT) Clean Decommissioning Sites lists
- Mr. Mitchell Jansen, onsite Facilities Manager for WestRock (the property Owner)

HAI could not determine the original source of heat for the residence formerly located on the subject property from the resources reviewed for this assessment. The residence may have historically used oil heat that could have been stored in an UST. Visual evidence of USTs was not observed at the property and, if an UST was ever present, it would likely have been removed when the residence was demolished. Records or other evidence of the current or former presence of USTs at the property were not identified by the above-referenced resources. Accordingly, although HAI cannot rule out

the presence of a heating oil UST on the property, there is no reason to believe that an UST is or has been located on the property.

4.3.2 Aboveground Storage Tanks

The subject property was visually inspected for evidence of aboveground storage tanks (ASTs). Visual evidence of ASTs would include tanks, concrete foundations or saddles, pedestals or steel support structures.

Tanks, concrete foundations, saddles, pedestals, steel support structures, or other evidence of ASTs were not observed on the subject property.

4.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCBs), EPA-regulated hazardous substances, are commonly found in electrical equipment manufactured prior to 1980, the year PCBs above 50 parts per million (ppm) were banned from commerce for most applications. Pole and pad-mounted fluid-filled electrical transformers, ballasts associated with fluorescent light fixtures and some hydraulic fluids are typical of electrical equipment that would be suspected to contain PCBs.

Typical electrical equipment that would be suspected to contain PCBs include the following:

- Pole and pad-mounted fluid-filled electrical transformers
- Ballasts associated with fluorescent light fixtures
- Hydraulic fluids
- Submersible water well pumps manufactured prior to 1979

| Equipment Type | Number / Location | PCBs likely? |
|----------------------------|---|--------------|
| Electrical Transformers | None observed | No |
| Hydraulic Fluids | Hydraulic Equipment: None | |
| Fluorescent Light Ballasts | None | |
| Onsite Well(s) | Former well(s), no evidence of a pump (see Section 4.8 Wells) | |

4.5 Hazardous Substances, Petroleum Products, and Hazardous Wastes

The subject property was visually inspected for signs of the storage, use or disposal of hazardous substances, petroleum products, and hazardous wastes (e.g. containers, drums, staining, leakage, etc.).

Evidence of the usage, storage, or disposal of hazardous substances, petroleum products, and/or hazardous wastes, including 55-gallon drums, was not observed on the subject property.

4.6 Water, Wastewater and Stormwater

4.6.1 Wastewater Discharge Sources

Evidence of industrial, process or other discharge sources was not observed at the subject property.

4.6.2 Subsurface Discharge Features

The subject property was inspected for evidence of subsurface discharge features (e.g. floor drains, oil/water separators, sumps and trenches).

Evidence of subsurface discharge features was not observed at the subject property.

4.6.3 Sanitary Systems and Water Supply

The subject property was visually inspected for evidence of current or former onsite sanitary systems (e.g. septic tanks, cesspools).

The subject property was undeveloped at the time of this Phase I ESA, but was historically developed with two generations of residences (1940s-1970s and again in the 1990s). According to Mr. David Kroo, the son of the former Owners of the most recent residence, this residence was served by an onsite water supply well and septic system that were installed at the time of construction in 1991. It can be inferred that the older residence was also served by an onsite water supply well and septic system. There was no evidence that any onsite wells or septic systems have been properly abandoned/decommissioned. As such, it appears likely that two water supply wells and two septic systems remain on the property.

4.6.4 Stormwater Discharge

Stormwater

Stormwater features, such as catch basins or bioswales, were not observed at the subject property, which was undeveloped and vegetated. Accordingly, stormwater at the property would infiltrate into the ground surface and/or flow as sheet runoff downslope to the northwest toward low-lying areas, and to the west toward the adjacent Willamette River.

Drywells

Drywells were not observed or indicated by permits or plans to be present at the subject property.

Surface Water

Evidence of surface water (e.g. ponds, lagoons or standing surface water indicative of industrial or wastewater disposal) was not observed at the subject property. Surface water in this context does not include naturally occurring bodies of water such as rivers, lakes, streams, or wetlands (annual or perennial).

4.7 Solid Waste Disposal / Fill Materials

Solid waste was not generated at the subject property, as it was undeveloped and not used for any purpose other than as a buffer zone. Uncontrolled or improper solid waste disposal practices were not observed at the property.

A large berm of imported soil was present on the relatively flat central and eastern upland portions of the subject property. The berm was estimated to be approximately 400 feet long, 75 feet wide, and 10 to 15 feet high, and was covered with dead blackberry canes that had recently been mowed. According to Mr. Mitchell Jansen and Mr. Robert Roholt, the onsite Facilities and Environmental Managers for WestRock, the property Owner, the berm soil likely consisted of Willamette River bank soils that were excavated as part of rebuilding the river bank during the 1990s.

Mr. Jansen and Mr. Roholt further stated that the river bank re-building work was conducted subsequent to re-engineering of the levee and levee road around the northwest-adjacent South Lagoon that historically received pulp mill wastewater. Based upon a review of historical aerial photographs, the

river bank that forms the westernmost portion of the subject property and the adjacent upstream riverbank areas were significantly altered at some time between 1994 and 2000. The aerial photographs further indicated that the soil berm was placed on the subject property during this same time period.

Based upon the fact that the subject property is located downstream of the adjacent pulp mill, and immediately adjacent to the South Lagoon, it is possible that the river bank soils were adversely impacted by pulp mill activities. Accordingly, the presence of this berm of imported soil is considered to be a REC for the property.

4.8 Wells

The subject property was inspected for evidence of wells (e.g. potable supply, irrigation, monitoring, extraction, dry injection).

OWRD records, interviews, and site observations confirmed that a water supply well was installed on the subject property in 1991. The historical presence of an earlier residence (1940s-1970s) suggests the presence of at least one additional, earlier, water supply well. Further, an open pipe that appeared to be a well head was observed at the northeastern portion of the property, in the vicinity of the former location of the earlier residence. There was no documentation of the abandonment of any wells at the property.

4.9 Additional Services

Unless specifically noted herein, the Phase I ESA review and inspection activities did not include items that are outside the scope of ASTM E1527-13 such as issues related to lead-based paint, lead in drinking water, electromagnetic radiation, cultural and/or historical resources, indoor air quality (e.g. vapor intrusion, radon, etc.), fungi (e.g. mold), wetlands and other ecological resources, and endangered species. Similarly, the review and inspection activities did not include surveys for asbestos, health and safety, regulatory compliance, or a determination of the suitability of a property or its structures for any purpose.

An asbestos survey was not within the scope of this Phase I ESA and was not performed for the subject property. However, HAI conducted a limited visual assessment for suspect asbestos-containing materials (ACMs) at the time of the site visit. This visual assessment did not constitute an asbestos survey and was not intended to identify every suspect ACM at the property.

4.9.1 Asbestos

Asbestos is a U. S. Environmental Protection Agency (EPA)-regulated toxic substance and a human carcinogen. By EPA standards, asbestos-containing material (ACM) is any material that contain more than one percent asbestos. ACMs were typically used in insulation materials, ceiling tiles, and linoleum manufactured prior to the mid-1970s. However, certain types of ACMs, including roofing felt and coatings, among others, may continue to legally be imported or produced, sold, and installed in structures today.

EPA requires that all Regulated ACM (RACM) be removed from a site prior to demolition, dismantling or renovation of structures to prevent the release of asbestos fibers to the air. RACM would include friable ACM or nonfriable ACM that will be or has been subjected to sanding, grinding, cutting or abrading, or has crumbled, or has been pulverized or reduced to powder in the course of demolition or renovation operations. Friable ACM is defined as any material with more than one percent asbestos by weight that hand pressure can crumble, pulverize or reduce to powder when dry.

State regulations further require that all ACMs be removed from a site prior to demolition, dismantling or renovation of structures, regardless if the material is friable. Additionally, DEQ also requires that an asbestos survey be conducted prior to the renovation or demolition of all non-residential buildings, regardless of date of construction, and also of residential buildings constructed prior to January 1, 2004. A copy of the asbestos report must be kept onsite and provided to the agency upon request.

Note that a waiver of DEQ's requirement for an asbestos survey can be granted if requested in writing and documentation proves to agency satisfaction that no asbestos-containing material is present. Alternatively, an asbestos survey is not required if all of the material will be handled and disposed of as ACM.

In addition, federal and state Occupational Safety and Health Administrations (OSHA) require that commercial and industrial building and facility owners communicate asbestos hazards and provide asbestos awareness training to tenants, employees, and maintenance personnel.

The subject property was not developed with buildings or structures. Further, construction debris was not observed on the property. Therefore suspect ACMs were not observed.

4.9.2 Potential for Low-Level Soil Contamination

A Clean Fill Determination was not within the scope of this Phase I ESA and was not performed for the subject property. A Clean Fill Determination would include soil sampling and quantitative analysis, none of which was performed during this Phase I ESA.

At many sites, notably those located in industrial, agricultural, and/or urban areas, previous environmental sampling and analysis has detected low levels of hazardous substances impacts in site soils. The source of these low-level hazardous substances impacts varies, but is generally related to the fact that the original soils have been altered by site construction/demolition activities, by the addition of fill materials, by the storage, usage and disposal of hazardous materials at industrial sites, by the historical usage of pesticides at agricultural sites, and/or by air and water deposition of contaminants ubiquitous in urban environments.

Typically, such low-level hazardous substances impacts in soils do not present an environmental or human health-related concern, and if left in-place, undisturbed, no actions would be necessary for these soils. However, if they are to be excavated and removed as part of future site construction activities, then such soils may not qualify for unrestricted management and reuse or disposal.

In Oregon, the criteria used to determine whether soil to be excavated at a property may have restrictions on its management and end use (i.e. reuse or disposal location) are the DEQ Clean Fill screening level values (SLVs). In 2014, DEQ prepared an internal management directive entitled *Clean Fill Determinations*¹ (updated 2019) that can be used to assist in soil management decisions. This directive contains a "Clean Fill Table for Uplands" that lists Clean Fill SLVs for individual chemicals of concern.

In addition to the numeric Clean Fill SLVs, if any material is observed to contain quantities of putrescible wastes, construction and/or demolition wastes, or industrial solid wastes, or exhibits a chemical stain or odor, the material is not considered Clean Fill by DEQ definition. Note, however, that DEQ indicates that unpainted concrete, brick, building block, rock, or tile can qualify as Clean Fill.

¹ DEQ (2019). *Clean Fill Determinations*. Internal Management Directive. Oregon Department of Environmental Quality. February 21, 2019.

Former Orchard, Adjacent Pulp Mill, Imported Soil – Potential Restrictions on Reuse or Disposal of Site Soils:

Based upon the former use of the property as an orchard (1930s-1950s), the long-term presence of an adjacent pulp mill, and the presence of a large soil berm excavated from pulp mill river frontage, it is possible that hazardous substances impacts may be present in soils at the subject property. Such impacts, if any, could disqualify the affected soils as Clean Fill for unrestricted management and reuse or disposal in the event of future site construction activities that involve the excavation and removal of site soils.

5.0 INTERVIEWS

5.1 Interviews with Owner, Site Manager, Occupant

Attempts were made to interview current Owner(s), the key site manager, occupants and/or major occupants, and occupants likely to use, store, treat, handle or dispose of hazardous substances or petroleum products at the subject property. In addition, to the extent that they have been identified, past owners, operators, and occupants likely to have information regarding the potential for contamination at the property were also interviewed. Further, a reasonable attempt has been made to interview a state and/or local government agency. Additional personnel may also be interviewed as deemed necessary. Data Gaps with regard to the referenced interviews are discussed below and in Section 9.1 *Data Gaps*.

Current Property Owner, Key Site Manager, and Occupant

Information obtained from Yamhill County Tax records identified SP Fiber Technologies Northwest, LLC (SP Fiber) as the current Owner of record of the subject property. According to county tax records, SP Fiber acquired the property in 2012. According to information posted on the Oregon State Business Registry website, SP Fiber Technologies Northwest, LLC changed its name to WestRock Northwest, LLC (WestRock) in May 2016, subsequent to its acquisition by WestRock in 2015.

| Owner | Year Acquired |
|---|----------------|
| WestRock Northwest, LLC | 2015 – Present |
| WestRock Northwest, LLC as SP Fiber Technologies Northwest, LLC | 2012 – 2015 |

Mr. Mitchell Jansen and Mr. Robert Roholt, respectively the onsite Facilities and Environmental Managers for WestRock, the subject property Owner,

were interviewed on December 3, 2019. Mr. Jansen and/or Mr. Roholt indicated the following:

- WestRock Northwest, LLC acquired the property in 2015 from SP Fiber Technologies Northwest, LLC
- Mr. Jansen has been familiar with the property in his professional capacity at the adjacent pulp mill since May 1980, when he began working at the mill
- Mr. Roholt has been familiar with the property in his professional capacity for the mill Owners since 2010, when he began working at the mill
- The large soil berm on the property likely derived from riverbank soils that were excavated in order to rebuild the bank with structural fill. This work was conducted subsequently to the re-engineering of the adjacent pulp mill wastewater treatment pond (the South Lagoon) in the 1990s.
- Aside from one recent application of pesticides to control blackberry growth on the property, Mr. Jansen and Mr. Roholt were not aware of pesticide usage on the property. Mr. Jansen stated that the pesticide application was conducted by a licensed applicator.

Mr. Jansen and Mr. Roholt indicated that they were not aware of:

- Other historical uses of the property or of any former property structures
- Any existing or former USTs, ASTs, septic tanks, drywells, pits, sumps, or hazardous substances and/or petroleum product usage on the property, aside from the recent application of pesticides
- Environmental permits, notices, significantly lower property purchase price (lower than comparable), environmental liens or activity and use limitations, or RECs in association with the property
- Any pending, threatened or past litigation or administrative proceedings relevant to hazardous substances or petroleum products in, on, or from the property
- Any notices from any government entity regarding possible violation of environmental laws or possible liability relating to hazardous substances or petroleum products
- Environmental conditions that have affected or may affect the purchase or lease price of the property
- Any specialized knowledge of the property or surrounding sites, and knew of no commonly known information about the property that would help in identifying conditions indicative of releases or threatened releases, including RECs at the property
- Any obvious indicators that point to the presence or likely presence of contamination at the property.

5.2 Interviews with Past Owners, Operators, Occupants

Past Property Owner(s), Operator(s) and Occupant(s)

Information obtained from Yamhill County Tax records identified the following former Owners of the subject property:

| Owner | Years Owned |
|-------------------------------|-------------------------|
| The Kroo Family | From before 1996 – 1999 |
| Southeast Paper Manufacturing | 1999 – 2012 |

Mr. Jansen was interviewed as a representative of Southeast Paper Manufacturing, the Owner of the subject property from 1999 through 2012 (see Section 5.1 Interviews with Owner, Site Manager, Occupant).

According to historical information posted online, Mr. Anton (“Tony”) Kroo and Ms. Barbara Kroo, former Owners of the subject property, are deceased, Mr. Kroo in 1994 and Ms. Kroo in 2012. Mr. David Kroo, their son, was interviewed on December 6, 2019. Mr. Kroo indicated the following:

- His parents acquired the property in approximately 1990, at which time it was undeveloped
- His parents developed the property with a residence, and used it solely for residential purposes until they sold it to the adjacent pulp mill. To the best of his recollection, Mr. Kroo’s mother sold the property in 1996.

NOTE: the inconsistency between Yamhill County records and Mr. Kroo regarding the year of property transfer from the Kroo family to Southeast Paper Manufacturing may be due to inaccuracy of memory and/or lag time between the property transfer negotiations and the recording of the deed.

- The Kroo residence was served by an onsite water supply well and septic system that were installed in 1991, when the residence was constructed
- The mill Owners moved the residence to the mill facility for use as office space

Mr. Kroo indicated that he was not aware of:

- Other historical uses of the property or of any former property structures that predated his parent’s house

NOTE: historical aerial photographs dated 1944 through 1970) indicated the presence of an earlier residence and outbuildings

- Any current or former USTs or ASTs
- Any former water supply wells, or onsite septic systems
- The soil berm currently present on the property
- The riverbank excavation and reconstruction work conducted by the mill

5.3 Interviews with Government Officials / Others

State and/or Local Government Agency

A representative of the Yamhill County Tax Assessor's office was interviewed on December 4, 2019. The representative indicated the current Owner of record of the subject property to be SP Fiber Technologies Northwest, LLC (SP Fiber). She further stated that SP Fiber acquired the property in 2012 from Southeast Paper Manufacturing, who in turn acquired it in 1999 from Ms. Barbara Kroo. Tax records further indicated that Ms. Kroo acquired the property in August 1996 from another member of the Kroo family (first name not identified). The county representative also stated that, aside from a note in the file dated 2003 stating "nobody home, left card," the agency had no other readily available records on file for the subject property.

Aside from the current and former Owner information, State and County government agency records and information were readily available through Internet database searches and queries. Local agency representatives for the building and fire departments did not have additional information beyond publicly available records and plans (Section 7.1 *Historical Use Resources*). Accordingly, no additional interviews with state or local government agency representatives, aside from the interview detailed above, were conducted during this assessment.

Additional Interviews

Mr. Rob Renne, a former employee of the adjacent pulp mill facility was interviewed on December 12, 2019. Mr. Renne indicated the following:

- He had worked at the pulp mill for 41 years, from 1976 until 2017, including beyond the cessation of operation in November 2015
- In 1968, the mill installed its first newsprint machine, and its primary product from 1968 through 2015 was newsprint. As such, the mill was never considered a Kraft processing mill.
- The mill converted from a sulfite pulping process to a combination of 65% mechanical pulping (ground wood) and 35% sulfite pulping in the early 1980s
- In the 2010s, as demand for newsprint paper declined with the advent of online information, the mill began producing brown pulp material for a

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variety of packaging products (e.g. brown paper and cardboard). The brown pulp was produced by the Kraft processing method, but the final product did not require bleaching

- The mill used ground up creosoted rail road ties, that were ground up onsite, for hog fuel
- The North Lagoon failure in the early 1980s was due to a collapsed culvert underneath the lagoon
- A failure of the riverside edge of the South Lagoon occurred in the 1990s. The South Lagoon was re-engineered at that time, and riverbank soils were excavated and replaced with rocky fill.
- Mill wastewater was discharged directly to the Willamette River after passing through the North and South Lagoons, which acted both as settling basins and to re-oxygenate the water. This discharge was permitted through the National Pollutant Discharge Elimination System (NPDES).

Ms. Darlene Luvaas, secretary at Local 60 of the Association of Western Pulp and Paper Workers (AWPPW) Union, was interviewed on December 11, 2019, regarding names and contact information of millworkers who were formerly employed at the adjacent pulp mill. Ms. Luvaas reached out to Mr. Dennis Brandon, who was reportedly employed at the adjacent pulp mill for a period of more than 40 years, beginning in the 1960s. Ms. Luvaas reported to HAI that, according to Mr. Brandon, sulfite processing of pulp was discontinued in the late 1960s, and was replaced by a Kraft processing procedure.

Given that the adjacent mill reportedly produced newsprint as its primary product since the late 1960s, and prior to that reportedly used only the sulfite method for processing pulp, it appears likely that the change in processing methods that occurred in the late 1960s pertained to the institution of mechanical / sulfite processing, as described by Mr. Renne, and not to Kraft processing. It also appears likely that the Kraft processing methodologies employed to produce brown pulp included only minimal, if any, bleaching. However, HAI was not able to rule out the potential historical usage of bleach in the processing of pulp at the adjacent mill.

6.0 USER PROVIDED INFORMATION

Persons (e.g. the Client/User) seeking to qualify for the innocent landowner defense, prospective purchaser or contiguous property owner liability protection under CERCLA must provide any specialized knowledge of the subject property or surrounding sites, commonly known or reasonably ascertainable information within the community regarding the subject property, and any other experience relevant to this inquiry, for the purpose of

identifying conditions indicative of releases or threatened releases at the subject property. The Client/User must also consider the degree of obviousness of the presence or likely presence of contamination on the property.

Mr. Casey Creighton, Parks and Facilities Supervisor for Chehalem Park & Recreation District (the Client/User) completed a *Phase I Environmental Site Assessment User Questionnaire* (Appendix C).

6.1 Title Records

HAI obtained a search for Environmental Lien and Activity and Use Limitations (AULs) for the subject property, prepared by Nationwide Environmental Title Research (NETR) and dated January 17, 2020 (Appendix D).

6.2 Environmental Liens or Activity and Use Limitations

Mr. Creighton indicated that he was not aware of federal, tribal, state, or local environmental liens or activity and use limitations (AULs, such as engineering or institutional controls) in association with the subject property, as borne out by the search for Environmental Lien and Activity and AULs prepared by NETR.

6.3 Specialized Knowledge and Commonly Known or Reasonably Ascertainable Information

Mr. Creighton indicated that he had no specialized knowledge of the property or surrounding sites, and that he knew of no commonly known information about the property that would help in identifying conditions indicative of releases or threatened releases, including RECs at the property.

6.4 Valuation Reduction for Environmental Issues

Mr. Creighton indicated that he was not aware of:

- Environmental permits, notices, or significantly lower property purchase price (lower than fair market value)
- Any pending, threatened, or past litigation or administrative proceedings concerning hazardous substances or petroleum products in relation to the property
- Any notices from any government entity regarding possible violation of environmental laws or possible liability relating to hazardous substances or petroleum products

- Environmental conditions that have affected or may affect the purchase or lease price of the property
- Knowledge of RECs at the property or of any obvious indicators that point to the presence or likely presence of contamination at the property.

6.5 Reason for Performing Phase I ESA

Mr. Creighton indicated that Chehalem Park & Recreation District was conducting the Phase I ESA for due diligence purposes in support of Landowner Liability Protections under CERCLA, prior to the acquisition of the property.

7.0 SITE HISTORY

7.1 Historical Use Resources

A combination of practically reviewable information (available within reasonable cost and time constraints) was obtained from publicly available records and resources. While such information is typically incomplete, the following resources were reviewed in an effort to establish the history of the subject property and surrounding land use:

| Resource Type | Years Reviewed or Search Term | Source |
|--------------------------------|--|---|
| Building Plans/Permits | Property address (no records) | City of Newberg Yamhill County |
| Google Search Engine | Key word searches, including former mill Owner names | The Oregonian archives Chicago Tribune Oregon Court of Appeals |
| Internet Searches | Former Owner names Kroo family member names Former mill employee names | Find A Grave website Zabasearch Keyword searches |
| Historical Aerial Photographs* | 1936, 1944, 1953, 1963, 1970, 1982, 1991 1994, 2000, 2002 - 2006, 2010 - 2019 | U.S. Army Corps of Engineers Central Map Files, Portland, Oregon GoogleEarth Imagery |
| Previous Assessments | None provided or identified | |
| Reverse City Directories | Not reviewed; Unlikely to be available, and unlikely to yield additional information | |

| | | |
|-----------------------------|--|----------------|
| Sanborn Fire Insurance Maps | No coverage due to distance from City of Newberg downtown core; outside of Newberg city limits | |
| Tax Assessment Records | Property Address | Yamhill County |

*Aerial photographs for the years 1936, 1944, 1953, 1963, 1991, 2002, and 2019 are included in the Appendix of this report

A complete listing of all references, including sources and dates of review, is included in Section 12.0 *References*.

7.2 Previous Environmental Site Assessments

Previous ESAs for the subject property were not provided to HAI for review. Casey Creighton of Chehalem Park & Recreation District (the Client/User) and Mr. Mitchell Jansen, onsite Facilities Manager for WestRock (the property Owner) were not aware of previous ESAs having been performed for the property.

7.3 Summary of Historical Use

Based upon the interviews and the resources that were reviewed, the history of the subject property and of the surrounding land use was determined.

Subject Property

1930s – 1950s: Orchard / Rural Residential Usage

According to historical information, the subject property appeared to have been part of a larger, orchard property between at least the 1930s and the 1950s. During this time period, orchard trees covered the southern half of the central and eastern portions of the property, an open field was present to the north of the orchard, and the western portion was wooded. In 1936, a structure (possibly a residence or a farm building) was visible at the eastern portion of the property, near the northern perimeter. By 1944, this structure was no longer visible, and a residence was present at the central eastern portion of the property. In 1953, the property appeared essentially as it did in 1944, except that the orchard trees were larger.

1963 – 1970: Residential Use

By 1963, the orchard trees had been removed and the former orchard area appeared to be an open field. The residence at the eastern portion of the property was clearly visible in the 1963 and 1970 aerial photographs, as were two outbuildings.

1982: Open Field, No Structures

By 1982, the former structures had been removed, and the eastern and central upland portions of the property consisted of an open field, while its steeply sloping western portion remained densely wooded.

1990s: Residential Use

In 1991, a new residence was constructed on the south central portion of the property, along with a detached garage. Reportedly, the residence was moved from the property to an offsite location at the adjacent pulp mill in the mid- to late 1990s, and residential use of the property was discontinued.

Late 1990s – Present: Imported Soil

In the late 1990s, soil was excavated from a large area of the Willamette River bank, adjacent to and upstream of the subject property, and also from the westernmost portion of the property. According to Mr. Mitch Jansen, onsite Facilities Manager for WestRock, the Owner of the subject property and also the adjacent pulp mill facility, the soil berm currently present on the central and eastern upland portions of the property consists of the soil excavated from the riverbank in the 1990s.

The excavated areas and soil berm are clearly visible in aerial photographs dated 2000 and 2002 (note that the most recent available aerial photograph prior to 2000 is dated 1994, when the former Kroo residence was still present on the property). Immature trees were visible on the south slope of the soil berm by 2002, and since that time the riverbank areas have re-vegetated and the berm trees have matured.

| Dates | Summary of Historical Uses |
|-----------------|--|
| 1930s – 1950s | Orchard and single-family rural residential use |
| 1960s – 1970s | Orchard removed; Single-family rural residential use |
| 1980s | Undeveloped, no known use |
| 1990s | Single-family residential Use |
| 2000s – Present | Owned by the Owners of the adjacent pulp mill; reportedly used as buffer zone for the mill. Disposal site for soil excavated from pulp mill river frontage areas |

Sources: Aerial Photographs, Yamhill County Records, Interviews, Online Sources

Former Orchard: Recognized Environmental Condition (REC)

An orchard was historically located on the central and eastern portions of the subject property between at least the 1930s and the 1950s. Pesticide residues may be present in the near-surface soils adjacent to and beneath

the berm of imported soil on the property as a result of the potential historical usage of pesticides for agricultural purposes. Pesticides do not necessarily biodegrade readily and may be present in the near-surface soils of the property. In some cases, pesticides can accumulate in soil and migrate to groundwater. Many pesticides are listed as hazardous substances under state and federal Superfund laws and their presence in the soil or groundwater technically may constitute contamination. The accumulation of pesticides in soils and groundwater may also present health risks.

The usage of pesticides in accordance with applicable laws is generally considered an acceptable agricultural practice, and pesticide accumulation in near-surface soils is so common that it generally has not been regarded as a contamination issue requiring remedial action. However, in some cases, historical agricultural operations may have led to the presence of hazardous substances that exceed acceptable risk levels for residential and commercial properties, and for direct contact such as may occur at parks and other areas designated for public usage.

Orchards and nurseries in particular are under increased scrutiny due to the potential historical usage of persistent pesticides. Since the subject property was used for an orchard, as opposed to rotational crop farming, the same pesticide may have historically been applied to the orchard year after year allowing for accumulation in the soils. Oregon's Environmental Cleanup Law places the responsibility for any site investigation and cleanup costs on current as well as historical property owners. As such, the former presence of an orchard represents a REC for the property.

Willamette Riverbank Soil Berm: REC

The soil berm located on the central and eastern upland portions of the subject property reportedly consists of soils that were excavated from the onsite and upstream Willamette River bank areas. It is possible that these soils may have been adversely impacted by potential historical releases from the adjacent South Lagoon (pulp mill wastewater treatment pond), and/or the upstream pulp mill operations. Therefore, the soil berm on the property represents a REC for the property.

Surrounding Properties

1930s – 1940s: Orchards, Agricultural Fields, Undeveloped Wooded Land
NE Dog Ridge Road was present adjacent and to the east of the subject property from before 1936. The adjacent properties to the east and south were cultivated with orchards from at least the 1930s into the 1950s. The

adjacent property to the north was densely wooded, and appeared to be entirely undeveloped. The areas located farther to the north, east, and west consisted of a mix of agricultural fields and orchards sparsely developed with farm complexes, and undeveloped, wooded land. The pulp mill was present approximately 0.3 mile to the northwest by 1936, but the South Lagoon had not yet been developed.

1950s – Present: South Lagoon Adjacent Northwest

By 1953, the South Lagoon was present adjacent and to the northwest of the subject property. Reportedly, the riverside edge of the South Lagoon failed in the 1990s. Subsequent to the failure, the lagoon was re-engineered and the riverbank was rebuilt. The riverbank rebuilding activities reportedly consisted of the excavation of riverbank soils in order to replace the soils with rocky (structural) fill materials.

1950s – Present: Wooded Land, Adjacent Northeast; Rural Residential Usage, Adjacent East and South

Between 1953 and 1963, the adjacent orchard usages were replaced with rural residential usage and open fields. Between 1953 and the 1990s, active cultivation of the nearby agricultural fields also ceased, and the fields were allowed to revert to fallow land vegetated with scrub vegetation, or were developed with rural residences.

As indicated from the interviews and the resources that were reviewed, uses of adjacent and nearby and/or upstream properties that may have environmental significance are presented in the following table:

| Property | Direction Distance | Dates | Significance |
|--------------------------|--------------------|-------------------|---|
| South Lagoon | NW adjacent | 1950s – 2015 | Pulp mill wastewater treatment |
| Main Pulp Mill Facility* | NW >0.25 mile | 1927 – late 1960s | Unbleached sulfite pulp processing |
| | | late 1960s – 2015 | Newsprint primary product – combination mechanical (ground wood) and sulfite processing. Confecting information regarding the use of Kraft processing (which may have required bleach). |
| | | 2010s | Brown wood pulp production for use in packaging materials; Kraft processing of pulp, bleaching reported to be unnecessary |

| Property | Direction Distance | Dates | Significance |
|-----------------------|------------------------|---------------------|--|
| Willamette River Bank | Onsite and NW adjacent | Pre-1930s – Present | Potential contaminants from adjacent, upstream pulp mill |

* State Cleanup Site, ID #338. See Section 8.0 *Records Review*

From 1927 through the late 1960s, the adjacent pulp mill used a sulfite (non-bleach) processing methodology. In the late 1960s, the production of newsprint was instituted, and the processing methodology changed. While HAI received conflicting reports regarding the pulp processing methodology used for producing newsprint, it appears likely that the primary methodology was a combination of mechanical and sulfite processing, rather than Kraft processing. In the 2010s, the mill reportedly added brown pulp as a commercial product, as the demand for newsprint declined. The brown pulp was produced using the Kraft method, but required only minimal, if any, bleaching. However, HAI was not able to rule out the possibility that mill operations included Kraft processing and bleaching of wood pulp.

The Kraft method typically requires bleaching with chlorine to make white pulp. Dioxins, which are recognized as a persistent environmental pollutant, are typically a by-product of the bleaching process. Releases from pulp mills to adjacent surface waters, in addition to releases of wastewater effluent, can be a significant source of contaminants, including chlorates, heavy metals, and chelating agents, as well as dioxins.

It is possible that the subsurface media at the subject property may have been impacted by releases from the adjacent South Lagoon, and or the upstream pulp mill facility. Based on the property's usage history as an orchard (1930s – 1950s) and for residential usage, there is no evidence to suggest that pulp mill chemicals or by-products would have been used or generated on the property.

The Oregon Department of Environmental Quality *Off-Site Contaminant Migration Policy* (CMP) protects a land owner from enforcement by the agency for response actions for contamination, if the contamination has come to be located at the property solely as a result of subsurface migration from sources outside of the property, provided that the landowner did not cause, contribute to or exacerbate the contamination. Based upon this policy, it is unlikely that the subject property Owner would be responsible for the cleanup of any contamination beneath the subject property if such

contamination originates from offsite sources, and comes to be located at the property solely as a result of subsurface migration. Accordingly, adverse impacts to groundwater beneath property, if any, from the adjacent and upstream pulp mill operations would not appear to represent a REC for the property. However, if impacted groundwater is encountered in the event of future site development activities, the impacted groundwater may require special management, treatment, and/or permitting prior to discharge or disposal.

8.0 RECORDS REVIEW

As a part of this Phase I ESA of the subject property and as deemed necessary, inquiries were made to governmental agencies with jurisdiction over current and prior activities conducted at the subject property that could have affected the environment. When available and as necessary, files on nearby properties were also reviewed and agency personnel knowledgeable about activities conducted in the area of the subject property were interviewed.

Environmental Data Resources (EDR) was contracted by HAI to provide a regulatory site radius search which has been analyzed and interpreted by HAI. The EDR *Radius Map™ Report*, dated November 18, 2019, is included in Appendix E.

The following lists satisfy the requirements of ASTM E1527-13 for the review of records. As indicated by EDR, the lists reviewed for the *Radius Map™ Report* are obtained on a quarterly basis from the source agencies, and represent the most recent data available at the time of the quarterly update. When available and as necessary, information furnished by EDR was cross-referenced by HAI to DEQ's Facility Profiler and other readily available online database lists. The lists cross-referenced by HAI were the most recent lists available online as of December 11, 2019.

STANDARD ENVIRONMENTAL RECORD SOURCES

| U.S. Environmental Protection Agency (EPA) Lists | Search Distance | No. of Sites |
|--|-----------------|--------------|
| National Priorities List (NPL) and Proposed NPL Sites | 1.0 mile | 0 |
| De-listed NPL Sites | 0.5 mile | 0 |
| Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) List | 0.5 mile | 0 |
| CERCLIS No Further Remedial Action Planned (NFRAP) List | 0.5 mile | 0 |

| U.S. Environmental Protection Agency (EPA) Lists | Search Distance | No. of Sites |
|--|-----------------------------|---------------------|
| Resource Conservation Recovery Act (RCRA) Corrective Action Report (CORRACTS) List | 1.0 mile | 0 |
| RCRA Treatment, Storage, and Disposal (TSD) Facilities | 0.5 mile | 0 |
| RCRA Handlers List | Subject and Adjoining Sites | 0 |
| Federal Engineering and Institutional Controls List | Subject Property | 0 |
| Emergency Response Notification System (ERNS) List | Subject Property | 0 |

| Oregon Department of Environmental Quality (DEQ) Lists | Search Distance | No. of Sites |
|---|-----------------------------|---------------------|
| Environmental Cleanup Site information (ECSI) System: Includes Confirmed Release (CRL), Voluntary Cleanup Program (VCP), State Brownfield, and State-registered Engineering and/or Institutional Controls Sites | 1.0 mile | 1 EDR 1 DEQ |
| Solid Waste Facilities/Landfill (SWF/LF) List | 0.5 mile | 1 |
| Leaking Underground Storage Tank (LUST) Sites | 0.5 mile | 2 EDR 3 DEQ |
| Underground Storage Tank (UST) Facilities List | Subject and Adjoining Sites | 0 |

| Tribal Lists | Search Distance | No. of Sites |
|---------------------|-----------------------------|---------------------|
| Indian LUST Sites | 0.5 mile | 0 |
| Indian UST List | Subject and Adjoining Sites | 0 |

| <i>The following tribal lists are not known to exist and could not be reviewed</i> | |
|---|---|
| <i>Tribal-Equivalent NPL List</i> | <i>Tribal SWF/LF Sites</i> |
| <i>Tribal-Equivalent CERCLIS</i> | <i>Tribal Institutional /Engineering Control Registries</i> |
| <i>Tribal-Equivalent CERCLIS</i> | <i>Tribal Brownfield Sites / Voluntary Cleanup Sites</i> |

ADDITIONAL ENVIRONMENTAL RECORD SOURCES

| Federal and State Records | Search Distance | No. of Sites |
|--|------------------------|---------------------|
| Federal Brownfields Program Sites List | 0.5 mile | 0 |
| Oregon ERIS Spills List | Subject Property | 0 |
| Oregon State Fire Marshal's Office HSIS List | Subject Property | 0 |
| Oregon Building Codes Division Drug Lab Cleanup Program List | Subject Property | 0 |
| DEQ Underground Injection Control (UIC) Database | Subject Property | 0 |
| METRO Landfill Report | 0.5 mile | 0 |

Subject Property

The subject property did not appear on any of the environmental records sources reviewed for this Phase I ESA.

Surrounding Sites

The review of environmental records sources disclosed several sites located within an approximately 1.0-mile radius of the subject. However, the majority of the identified sites do not appear to represent a REC for the property based upon their distance from the property (greater than 0.25 mile), combined with the nature of the identified contamination (e.g. diesel fuel, which is not significantly mobile), the fact that groundwater was not reported to have been impacted, and/or the fact that the sites have been conferred DEQ No Further Action (NFA) status.

While not considered to be a REC for the subject property, one adjacent site is discussed due to its proximity to the property.

| | |
|---|---|
| Smurfit Newsprint Corporation – Newberg 1301 Wynooski Street, Newberg, Oregon Adjacent Site | ECSI Site No. 338 LUST Log No. 36-90-4258 LUST Log No. 36-93-4206 |
|---|---|

Location / Topographic Position relative to subject property:

- South Lagoon (southeasternmost portion), immediately adjacent northwest
- Main pulp mill facility structures, at least 0.25 mile northwest
- Upstream, with Willamette River frontage; Cross-gradient to upgradient

According to available DEQ ECSI Reports, a series of known releases occurred at this property:

- A release of wastewater and sludge to a reach of Hess Creek due to failure in 1981 of a wastewater treatment pond (North Lagoon) (nearest reach of Hess Creek located approximately 500 feet northeast of subject property)
- Releases of fuel (Bunker C) (from above ground storage tanks ASTs) (1983 and 1989) (ASTs located approximately 0.5 mile to the north-northwest)
- A release of kerosene from an AST (1994)

The LUST files for the Smurfit site pertain to areas located approximately 0.5 mile to the north-northwest of the subject property of this Phase I ESA.

Further, DEQ issued a determination of No Further Action (NFA) for **LUST Log No. 36-90-4258** in 1990, following the decommissioning of a 550-gallon

gasoline UST. LUST Log No. 36-93-4206 pertained to releases that were determined to be due to spills at ASTs, and not associated with USTs. Future site actions were referred to ECSI ID 338.

DEQ's file for ECSI Site No. 338 has not been closed, due to a series of changes in ownership that impeded attempts to secure Potentially Responsible Parties (PRPs) for the associated cleanup of these releases.

The Smurfit site ECSI listing pertains to the following concerns:

1. A 1981 release of approximately 60,000,000 gallons of pulp mill wastewater and sludge from the North Lagoon to Hess Creek, Springbrook Creek, and the Willamette River, resulting in low level contamination of creek sediments with the metals copper, chromium, zinc, cadmium, lead, and nickel. The release resulted from a catastrophic failure of the lagoon due to the collapse of a culvert used to divert Hess Creek beneath the lagoon. This release occurred in an area located more than 0.25 mile to the north of the subject property.
2. Several releases of petroleum products (Bunker C fuel, diesel fuel, and kerosene) that occurred at various times between the late 1970s and the mid-1990s. These releases occurred in an area located approximately 0.5 mile to the north-northwest of the subject property. Reportedly, approximately 1,756 tons of petroleum-contaminated soils (PCS) were excavated from this area in 1994, and were disposed at the North Marion County Disposal Facility for thermal treatment.

Based upon the distance from the subject property of the reported locations of the identified releases, combined with the nature of the identified contaminants (petroleum products and metals), and the reported low levels of remaining contamination, the identified releases at this upstream facility do not appear to represent a REC for the property.

9.0 DEVIATIONS

This Phase I ESA deviates from ASTM E1527-13 as follows:

- See Data Gaps below

9.1 Data Gaps

A Data Gap is defined in ASTM E1527-13 as a lack of or inability to obtain information required by the standards and practices listed in the regulation despite good faith efforts by the environmental professional or prospective landowner to gather such information. Such Data Gaps may affect the environmental professional's ability to identify RECs at the property.

A Data Failure is defined as the failure to achieve the historical research objectives contained in ASTM E1527-13, including identifying obvious uses of the property from the present back to the property's first developed use, or back to 1940, whichever is earlier. A Data Failure is one type of Data Gap.

The following Data Gaps were identified in association with this Phase I ESA, along with their significance and attempts made to fill the Data Gaps:

- Due to the presence of steeply sloping terrain and dense vegetation at the western portion of the property, the densely vegetated areas were not fully accessed and inspected. Hazardous materials or evidence of hazardous materials usage or release were not observed on the accessible portions of the property, therefore this Data Gap is not considered significant.
- Historical resources for the subject property (i.e. aerial photographs) extended only to 1936 (Data Failure), as opposed to the first developed use of the property, or 1940, whichever is earlier, as prescribed by the ASTM E-1527-13. However, based upon the type of development on the property and in the surrounding area in 1936, which consisted of farmland sparsely developed with farm complexes and undeveloped land, it appears unlikely that the property was used for any purpose other than agricultural usage prior to 1936. Therefore this Data Gap is not to be considered significant.

10.0 ADDITIONAL SERVICES

In addition to the basic elements of ASTM E1527-13, this report includes the following:

- A visual assessment for suspect asbestos-containing materials was conducted during the course of the Site Reconnaissance (Section 4.9.1). This visual assessment did not constitute an asbestos survey and was not intended to identify every suspect asbestos-containing material at the subject property.
- A general statement regarding site conditions that may disqualify the soils at the subject property as Clean Fill for unrestricted management and reuse or disposal in the future (Section 4.9.2). This general statement of site conditions does not constitute a Clean Fill Determination, and is not intended to indicate the actual presence or absence of hazardous substances impacts to soils at the subject property.

11.0 LIMITATIONS

The purpose of this environmental assessment is to evaluate the possibility that the specified real property contains a *Recognized Environmental Condition (REC)*, as defined by the American Society for Testing and Materials (ASTM) guideline (E1527-13). In performing an environmental assessment, a balance must be struck between the desire to conduct a complete inquiry into environmental matters and the limits of time, cost and technology. This report sets forth HAI's evaluation of the possibility of RECs based on the scope of work agreed to by the Client and within the Client's schedule and budget.

No investigation is thorough enough to ensure that hazardous substances are not present on a particular property. Even if RECs have not been identified in this report, there is no guarantee that contamination or other environmental conditions are not present. If samples have been collected in connection with this assessment, our assessment is based in part on our interpretation of data from discrete sample locations that may not represent actual conditions at unsampled locations. In evaluating the potential risks associated with the subject property, we have focused on possible sources on the property and on property in the immediate vicinity. We have not attempted to assess the risk that the property may be affected by regional contamination problems, such as the possibility of widespread contamination of the groundwater from sources not associated with this property.

All conclusions, opinions, and recommendations presented in this report are based on conditions existing at the time the services were performed and the laws, practices and technology in effect and commonly used as of that time. HAI is not able to predict future events that may affect the condition of the property or that may affect the risks attendant to such conditions.

Unless otherwise specified in this report, HAI has not investigated either the conditions inside any buildings on the property or the possible presence of hazardous substances incorporated into buildings, equipment, or other improvements on the property. HAI has not investigated conditions in any area of the property not readily accessible. Except as specifically described in this report, HAI also has not investigated the presence of hazardous substances that may be naturally occurring on the property. HAI has relied on information provided by the Client and other individuals and documents and has not verified the accuracy of such information.

Unless otherwise specified in writing, this report has been prepared solely for the use by the Client and Users, as identified in this report, and for use only in connection with the described property, subject to the limitations and conditions in HAI's services agreement with its Client. Any other use by the Client/Users or any use by any other person shall be at the user's sole risk, and HAI shall have neither liability nor responsibility with respect to such use.

(02/13)

12.0 REFERENCES

- City of Newberg Building Department, building permits/plans request (no records on file, as the subject property is located outside of city limits), December 2, 2019
- Environmental Data Resources, *The Radius Map™ Report*, November 18, 2019
- Google Earth Imagery, aerial photographs for 1994, 2000, 2002, 2010, and 2019, obtained December 4, 2019
- Google search engine (<http://www.google.com/webhp?hl=en>), keyword searches, various dates, November and December 2019
- MyTopo Map Pass Subscription Service, topographic base map for Figure 1, (map-pass.mytopo.com), November 18, 2019
- Oregon Department of Environmental Quality, state regulatory lists, reviewed December 11, 2019
- Oregon State Tax Map, *The Oregon Map*, tax lot maps (www.ormap.org), reviewed November 8, 2019
- Oregon Water Resources Department, water well logs review (www.wrd.state.or.us), December 9, 2019
- Sanborn Fire Insurance Maps for Newberg, Oregon, reviewed on the Multnomah County Library web site (www.multcolib.org) (no coverage of subject property area), December 2, 2019
- U.S. Army Corps of Engineers Central Map Files, Portland, Oregon, aerial photographs for 1936, 1944, 1953, 1963, 1970, 1982, and 1991, obtained November 18, 2019
- U.S. Geological Survey 7.5-Minute Quadrangle, Newberg, Oregon, 1985, area topography
- U.S. Geological Survey, Geologic Map of Oregon, 1991, area geology
- Yamhill County Department of Assessment and Taxation, property ownership and tax lot information, December 4, 2019

13.0 GLOSSARY OF ABBREVIATIONS

| | |
|----------|--|
| ACM | Asbestos-Containing Materials |
| AST | Aboveground Storage Tank |
| ASTM | American Society for Testing and Materials |
| AUL | activity and use limitations |
| bgs | below ground surface |
| CCDs | Cole City Directories |
| CEG | Conditionally Exempt Generator |
| CERCLA | Comprehensive Environmental Response Compensation and Liability Act |
| CERCLIS | Comprehensive Environmental Response Compensation and Liability Information System |
| CFR | Code of Federal Regulations |
| CORRACTS | RCRA Corrective Action Report |
| DEQ | Oregon Department of Environmental Quality |
| ECSI | Environmental Cleanup Site Information |
| EPA | U.S. Environmental Protection Agency |
| HAI | Hahn and Associates, Inc. |
| LQG | Large Quantity Generator |
| LUST | Leaking Underground Storage Tank |
| MSL | Mean Sea Level |
| NFA | No Further Action |
| NFRAP | No Further Remedial Action Planned |
| NPL | National Priority List |
| OAR | Oregon Administrative Rule |
| OSHA | Occupational Safety and Health Administration |
| OWRD | Oregon Water Resources Department |
| PCB | Polychlorinated Biphenyls |
| ppm | parts per million |
| RCRA | Resource Conservation and Recovery Act |
| RECs | Recognized Environmental Conditions |
| SEMS | Superfund Enterprise Management System |
| SFIM | Sanborn Fire Insurance Map |
| SQG | Small Quantity Generator of Hazardous Waste |
| SWDF | Solid Waste Disposal Facility |
| SWDS | Solid Waste Disposal Site |
| TSD | Treatment, Storage and Disposal |
| USGS | U.S. Geological Survey |
| UST | Underground Storage Tank |
| W.M. | Willamette Meridian |

14.0 DESCRIPTION OF ENVIRONMENTAL DATABASES

Federal NPL Sites List: The EPA National Priority List (NPL) details the locations of hazardous substance sites that present a potential for imminent and substantial harm to the environment.

Federal De-listed NPL Sites List: The Federal De-listed NPL Site (NPL) List details the locations of hazardous substance sites where either environmentally significant quantities of hazardous waste were never confirmed at the site, or an environmentally insignificant amount of hazardous waste is all that remains at the site as a result of remediation.

Federal CERCLIS List: The Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) lists hazardous substance sites that require preliminary investigation or are undergoing EPA investigations.

Federal CERCLIS NFRAP List: This report lists all CERCLIS No Further Remedial Action Planned (NFRAP) sites, which are CERCLIS sites that have been removed from the CERCLIS List. Archived status indicates that contamination was not found at the CERCLIS NFRAP sites, the contamination has been remediated, or the contamination has been deemed to not be significant enough to require consideration under CERCLIS or NPL. The listing of a site on the CERCLIS NFRAP does not necessarily imply that contamination has been deemed insignificant or remediated based upon applicable state or local standards.

Federal Superfund Enterprise Management System: The Federal Superfund Enterprise Management System (SEMS) was developed to replace the Federal CERCLIS Public Access Database, and was made operational in 2016. SEMS includes the same data fields and content as CERCLIS. The Federal CERCLIS Public Access Database, which contained a selected set of publicly releasable Superfund program data, was retired in 2013.

Federal CORRACTS List: The Corrective Action Report (CORRACTS) List identifies hazardous waste handlers with RCRA corrective action activity.

Federal RCRA TSD Facilities List: The EPA Resource Conservation and Recovery Act (RCRA) Treatment, Storage and Disposal (TSD) Facilities List identifies sites which manage hazardous waste for the purpose of on-site treatment, interim storage, or on-site disposal.

Federal RCRA Handlers List: The EPA RCRA Handlers List identifies facilities which have given notification as current hazardous waste generators, including Large Quantity Generators (LQG), Small Quantity Generators (SQG), or Conditionally Exempt Generators (CEGs), and facilities that do not presently generate hazardous waste (Non-Generators).

Federal Engineering and Institutional Controls Lists: The EPA Federal Engineering Controls List identifies sites with engineering controls in place. Engineering controls include various forms of caps, building foundations, liners, and treatment methods to create pathway elimination for regulated substances to enter environmental media or affect human health. The EPA Federal Institutional Controls List identifies sites with institutional controls in place. Institutional controls include administrative measures, such as groundwater use restrictions, construction

restrictions, property use restrictions, and post remediation care requirements intended to prevent exposure to contaminants remaining on site. Deed restrictions are generally required as part of the institutional controls.

Federal ERNS List: The Emergency Response Notification System (ERNS) List records and stores information on reported releases of oil and hazardous substances.

DEQ ECSI List: The Oregon Department of Environmental Quality (DEQ) Environmental Cleanup Site Information (ECSI) List includes hazardous substance sites undergoing DEQ investigations, along with DEQ Voluntary Cleanup Program (VCP) sites, State Brownfield sites, and sites with State-registered engineering and/or institutional controls.

DEQ SWF/LF List: The DEQ SWF/LF list is an inventory of active permitted facilities (including landfills, waste tire storage sites and carriers) in Oregon. The types of permitted facilities include compost, municipal solid waste (disposal) landfills, material recovery, transfer stations, tire and household hazardous waste.

DEQ LUST List: The DEQ Leaking Underground Storage Tank (LUST) Database List contains an inventory of reported LUST incidents.

DEQ UST List: The UST Facilities by Zip List is compiled of all underground storage tank facilities in Oregon. The list contains the following information: Facility ID, Name, Location, City, Zip, Phone Number, Permittee, Total Number of Tanks, Number of Active Tanks, Number of Decommissioned Tanks, and Number of Permitted Tanks.

Indian LUST List: The Indian LUST List identified leaking USTs on Indian land in Alaska, Idaho, Oregon and Washington.

Indian UST List: The Indian UST List identified USTs on Indian land in Alaska, Idaho, Oregon and Washington.

Federal Brownfields Program Sites List: EPA's Brownfields Program empowers states, communities, and other stakeholders in economic development to work together to prevent, assess, safely clean up, and sustainably reuse brownfields. A Brownfield Site is real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

Oregon State Fire Marshal's Office HSIS List: The Oregon State Fire Marshal's Office Hazardous Substance Information Survey (HSIS) identifies companies in Oregon submitting the HSIS and either reporting or not reporting hazardous substances.

Oregon ERIS Spills List: The Oregon Emergency Response Information System (ERIS) List identifies reported releases of petroleum and/or hazardous substances to land or water since 1995. DEQ discontinued usage and maintenance of this database in July 2013.

Oregon Building Codes Division Drug Lab Cleanup Program List: The Building Codes Division of the Oregon Department of Consumer & Business Services maintains a list of properties declared by law enforcement agencies to be unfit for use due to methamphetamine manufacturing and/or storage activities. The properties are considered unfit for habitation until they are certified clean in accordance with the Oregon Department of Human Services' Clandestine Drug Lab Cleanup Program, at which time they are removed from the list.

15.0 DEFINITIONS OF TERMS

Abandoned Property — property that can be presumed to be deserted, or an intent to relinquish possession or control can be inferred from the general disrepair or lack of activity thereon such that a reasonable person could believe that there was an intent on the part of the current owner to surrender rights to the property.

Activity and Use Limitation (AUL) — legal or physical restrictions or limitations on the use of, or access to, a site or facility: (1) to reduce or eliminate potential exposure to hazardous substances or petroleum products in the soil, soil vapor, groundwater, and/or surface water on the property, or (2) to prevent activities that could interfere with the effectiveness of a response action, in order to ensure maintenance of a condition of no significant risk to public health or the environment. These legal or physical restrictions, which may include institutional and/or engineering controls, are intended to prevent adverse impacts to individuals or populations that may be exposed to hazardous substances and petroleum products in the soil or groundwater on the property.

Actual Knowledge — the knowledge actually possessed by an individual who is a real person, rather than an entity. Actual knowledge is to be distinguished from constructive knowledge, that is knowledge imputed to an individual or entity.

Adjoining Properties — any real property or properties the border of which is contiguous or partially contiguous with that of the property, or that would be contiguous or partially contiguous with that of the property but for a street, road, or other public thoroughfare separating them.

Aerial Photographs — photographs taken from an aerial platform with sufficient resolution to allow identification of development and activities of areas encompassing the property.

All Appropriate Inquiries — that inquiry constituting “all appropriate inquiries into the previous ownership and uses of the property consistent with good commercial or customary practice” as defined in CERCLA, 42 U.S.C §9601(35)(B), that will qualify a party to a commercial real estate transaction for one of threshold criteria for satisfying the landowner liability protections to CERCLA liability (42 U.S.C §9601(35)(A) & (B), §9607(b)(3), §9607(q); and §9607(r)), assuming compliance with other elements of the defense.

Approximate Minimum Search Distance — the area for which records must be obtained and reviewed under ASTM E1527-13, subject to limitations as provided in ASTM E1527-13. This distance is to be measured from the nearest subject property boundary. This term is used in lieu of radius to include irregularly shaped properties.

Business Environmental Risk — a risk which can have a material environmental or environmentally-driven impact on a business associated with the current or future use of a parcel of commercial real estate. Consideration of business environmental risk is not necessarily limited to those environmental issues required to be investigated under ASTM E1527-13, and may involve addressing considerations outside the scope of this practice (non-scope considerations).

Continuing Obligations — Continuing Obligations that the Client/User must achieve and maintain in order to qualify for one of the Landowner Liability Protections (LLPs) to CERCLA liability under the 2002 Brownfields Amendments,

assuming compliance with other elements of the defense. Continuing Obligations include: (1) complying with land use restrictions and institutional controls; (2) taking reasonable steps with respect to hazardous substance releases; (3) providing full cooperation, assistance, and access to persons that are authorized to conduct response actions or natural resource restoration; (4) complying with requests for information and with administrative subpoenas; and (5) providing legally required notices.

Controlled Recognized Environmental Condition (CREC) — a REC resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority (e.g., as evidenced by the issuance of a NFA letter or equivalent, or meeting risk-based criteria established by regulatory authority), with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls (e.g., property use restrictions, AULs, or institutional/engineering controls).

Data Failure — a failure to achieve the historical research objectives contained in ASTM E1527-13 (includes identifying obvious uses of the property from the present, back to the property's first developed use, or back to 1940, whichever is earlier), even after reviewing the standard historical sources that are reasonably ascertainable and likely to be useful. Data Failure is one type of Data Gap.

Data Gap — a lack of or inability to obtain information required by this practice despite good faith efforts by the environmental professional to gather such information. Data gaps may result from incompleteness in any of the activities required by this practice, including, but not limited to Site Reconnaissance (for example, an inability to conduct the site visit), and interviews (for example, an inability to interview the key site manager, regulatory officials, etc.).

De Minimis Condition — a condition that generally does not present a material risk of harm to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Conditions determined to be *de minimis* are not recognized environmental conditions or controlled recognized environmental conditions.

Drywells — underground areas where soil has been removed and replaced with pea gravel, coarse sand, or large rocks. Dry wells are used for drainage, to control storm runoff, for the collection of spilled liquids (intentional and non-intentional) and wastewater disposal (often illegal).

Environment — The term "environment" includes (A) the navigable waters, the waters of the contiguous zone, and the ocean waters of which the natural resources are under the exclusive management authority of the United States under the Magnuson-Stevens Fishery Conservation and Management Act; and (B) any other surface water, groundwater, drinking water supply, land surface or subsurface strata, or ambient air within the United States or under the jurisdiction of the United States, as defined in CERCLA 42 U.S.C. § 9601(8)).

Environmental Compliance Audit — the investigative process to determine if the operations of an existing facility are in compliance with applicable environmental laws and regulations. This term should not be used to describe this practice, although an environmental compliance audit may include an environmental site assessment or, if prior audits are available, may be part of an environmental site assessment.

Environmental Lien — a charge, security, or encumbrance upon title to a property to secure the payment of a cost, damage, debt, obligation, or duty arising out of response actions, cleanup, or other remediation of hazardous substances or petroleum products upon a property, including (but not limited to) liens imposed pursuant to CERCLA 42 U.S.C. §9607(1) & 9607(r) and similar state or local laws.

Environmental Professional — (1) a person who possesses sufficient specific education, training, and experience necessary to exercise professional judgment to develop opinions and conclusions regarding conditions indicative of releases or threatened releases on, at, in, or to a property, sufficient to meet the objectives and performance factors in §312.20(e) and (f).

(2) Such a person must: (i) hold a current Professional Engineer's or Professional Geologist's license or registration from a state, tribe, or U.S. territory (or the Commonwealth of Puerto Rico) and have the equivalent of three (3) years of full-time relevant experience; or (ii) be licensed or certified by the federal government, a state, tribe, or U.S. territory (or the Commonwealth of Puerto Rico) to perform environmental inquiries as defined in §312.21 and have the equivalent of three (3) years of full-time relevant experience; or (iii) have a Baccalaureate or higher degree from an accredited institution of higher education in a discipline of engineering or science and the equivalent of five (5) years of full-time relevant experience; or (iv) have the equivalent of ten (10) years of full-time relevant experience.

(3) An environmental professional should remain current in his or her field through participation in continuing education or other activities.

(4) The definition of environmental professional provided above does not preempt state professional licensing or registration requirements such as those for a professional geologist, engineer, or site remediation professional. Before commencing work, a person should determine the applicability of state professional licensing or registration laws to the activities to be undertaken as part of the inquiry identified in §312.21(b).

(5) A person who does not qualify as an environmental professional under the foregoing definition may assist in the conduct of all appropriate inquiries in accordance with this part if such person is under the supervision or responsible charge of a person meeting the definition of an environmental professional provided above when conducting such activities.

Environmental Site Assessment (ESA) — the process by which a person or entity seeks to determine if a particular parcel of real property (including improvements) is subject to recognized environmental conditions. At the option of the user, an environmental site assessment may include more inquiry than that constituting all appropriate inquiries or, if the user is not concerned about qualifying for the *landowner liability protections* (LLPs), less inquiry than that constituting all appropriate inquiries. An environmental site assessment is both different from and often less rigorous than an environmental compliance audit.

Fill Dirt — dirt, soil, sand, or other earth, that is obtained off-site, that is used to fill holes or depressions, create mounds, or otherwise artificially change the grade or elevation of real property. It does not include material that is used in limited quantities for normal landscaping activities.

Good Faith — the absence of any intention to seek an unfair advantage or to defraud another party; an honest and sincere intention to fulfill one's obligations in the conduct or transaction concerned.

Hazardous Substance — Per ASTM 1527-13, a substance defined as a *hazardous substance* pursuant to CERCLA 42 U.S.C. §9601(14), as interpreted by EPA regulations and the courts: (A) any substance designated pursuant to section 1321(b)(2)(A) of Title 33, (B) any element, compound, mixture, solution, or substance designated pursuant to section 9602 of this title, (C) any *hazardous waste* having the characteristics identified under or listed pursuant to section 3001 of the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, (42 U.S.C. §6921) (but not including any waste the regulation of which under RCRA (42 U.S.C. §6901 *et seq.*) has been suspended by Act of Congress), (D) any toxic pollutant listed under section 1317(a) of Title 33, (E) any hazardous air pollutant listed under section 112 of the Clean Air Act (42 U.S.C. §7412), and (F) any imminently hazardous chemical substance or mixture with respect to which the Administrator (of EPA) has taken action pursuant to section 2606 of Title 15. The term does not include petroleum, including crude oil or any fraction thereof which is not otherwise specifically listed or designated as a *hazardous substance* under subparagraphs (A) through (F) of this paragraph, and the term does not include natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas).

Hazardous Waste — any hazardous waste having the characteristics identified under or listed pursuant to section 3001 of RCRA, as amended, (42 U.S.C. §6921) (but not including any waste the regulation of which under RCRA (42 U.S.C. §6901-6992k) has been suspended by Act of Congress). RCRA is sometimes also identified as the Solid Waste Disposal Act. RCRA defines a hazardous waste, at 42 U.S.C. §6903, as: “a solid waste, or combination of solid wastes, which because of its quantity, concentration, or physical, chemical, or infectious characteristics may—(A) cause, or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness; or (B) pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise managed.”

Historical Recognized Environmental Condition (HREC) — a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted residential use criteria established by a regulatory authority, without subjecting the property to any required controls (e.g., property use restrictions, AULs, institutional controls, or engineering controls). Before calling the past release an HREC, the EP must determine whether the past release is a REC at the time the Phase I ESA is conducted (e.g., if there has been a change in the regulatory criteria). If the EP considers this past release to be a REC at the time the Phase I ESA is conducted, the condition shall be included in the conclusions section of the report as a REC

IC/EC registries — databases of institutional controls or engineering controls that may be maintained by a federal, state or local environmental agency for purposes of tracking sites that may contain residual contamination and AULs. The names for these may vary from program to program and state to state, and include terms such as Declaration of Environmental Use Restriction database (Arizona), list of “deed restrictions” (California), environmental real covenants list (Colorado), brownfields site list (Indiana, Missouri) and the Pennsylvania Activity and Use Limitation (PA AUL) Registry.

Innocent Landowner Defense — (42 U.S.C. §9601(35) & 9607(b)(3)) — a person may qualify as one of three types of innocent landowners: (i) a person who “did not know and had no reason to know” that contamination existed on the property at the time the purchaser acquired the property; (ii) a government entity which acquired the property by escheat, or through any other involuntary transfer or acquisition, or through the exercise of eminent domain authority by purchase or condemnation; and (iii) a person who “acquired the facility by inheritance or bequest.” To qualify for the first type of innocent landowner LLP, such person must have made all appropriate inquiries on or before the date of purchase. Furthermore, the all appropriate inquiries must not have resulted in knowledge of the contamination. If it does, then such person did “know” or “had reason to know” of contamination and would not be eligible for the innocent landowner defense.

Institutional Controls — a legal or administrative restriction (for example, “deed restrictions,” restrictive covenants, easements, or zoning) on the use of, or access to, a site or facility to (1) reduce or eliminate potential exposure to hazardous substances or petroleum products in the soil or groundwater on the property, or (2) to prevent activities that could interfere with the effectiveness of a response action, in order to ensure maintenance of a condition of no significant risk to public health or the environment. An institutional control is a type of Activity and Use Limitation (AUL).

Key Site Manager — the person identified by the owner or operator of a property as having good knowledge of the uses and physical characteristics of the property.

Landowner Liability Protections — landowner liability protections (LLPs) include the bona fide prospective purchaser liability protection, contiguous property owner liability protection, and innocent landowner defense from CERCLA liability (42 U.S.C. §§9601(35)(A), 9601(40), 9607(b), 9607(q), 9607(r)).

Major Occupants — those tenants, subtenants, or other persons or entities each of which uses at least 40 % of the leasable area of the property or any anchor tenant when the property is a shopping center.

Material Threat — a physically observable or obvious threat which is reasonably likely to lead to a release that, in the opinion of the environmental professional, is threatening and might result in impact to public health or the environment. An example might include an aboveground storage tank system that contains a hazardous substance and which shows evidence of damage. The damage would represent a material threat if it is deemed serious enough that it may cause or contribute to tank integrity failure with a release of contents to the environment.

Migrate/Migration — the movement of hazardous substances or petroleum products in any form, including, for example, solid and liquid at the surface or subsurface, and vapor in the subsurface.

Petroleum Products — those substances included within the meaning of the petroleum exclusion to CERCLA, 42 U.S.C. §9601(14), as interpreted by the courts and EPA, that is: petroleum, including crude oil or any fraction thereof which is not otherwise specifically listed or designated as a hazardous substance under Subparagraphs (A) through (F) of 42 U.S.C. §9601(14), natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas).

Pits, Ponds, or Lagoons — man-made or natural depressions in a ground surface that are likely to hold liquids or sludge containing hazardous substances or petroleum products.

Practically Reviewable — information that is practically reviewable means that the information is provided by the source in a manner and in a form that, upon examination, yields information relevant to the property without the need for extraordinary analysis of irrelevant data. The form of the information shall be such that the user can review the records for a limited geographic area. Records that cannot be feasibly retrieved by reference to the location of the property or a geographic area in which the property is located are not generally practically reviewable. Further, when so much data is generated that it cannot be feasibly reviewed for its impact on the property, it is not practically reviewable.

Publicly Available — information that is publicly available means that the source of the information allows access to the information by anyone upon request.

Reasonably Ascertainable — for purposes of both the ASTM Phase I ESA (Practice E 1527) and the TSA (Practice E 1528) standards, information that is (1) publicly available, (2) obtainable from its source within reasonable time and cost constraints, and (3) practically reviewable.

Recognized Environmental Condition (REC) — the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to any release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment. The term is not intended to include *de minimis* conditions that generally do not present a threat to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Conditions determined to be *de minimis* are not recognized environmental conditions.

Release — any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment (including the abandonment or discharging of barrels, containers, and other closed receptacles containing any hazardous substances or pollutant or contaminant).

Relevant Experience — as used in the definition of environmental professional, means: participation in the performance of environmental site assessments that may include environmental analyses, investigations, and remediation which involve the understanding of surface and subsurface environmental conditions and the processes used to evaluate these conditions and for which professional judgment was used to develop opinions regarding conditions indicative of releases or threatened releases (per §312.1(c)) to the subject property.

Site Reconnaissance — that part that is contained in ASTM Practice E1527 and addresses what should be done in connection with the site visit. The Site Reconnaissance includes, but is not limited to, the site visit done in connection with a Phase I Environmental Site Assessment.

Site Visit — the visit to the property during which observations are made as part of the Site Reconnaissance.

Subject Property — the real property that is the subject of this Phase I ESA. Real property includes buildings and other fixtures and improvements located on the property and affixed to the land.

Sump — a pit, cistern, cesspool, or similar receptacle where liquids drain, collect, or are stored.

Underground Storage Tank (UST) — any tank, including underground piping connected to the tank, that is or has been used to contain hazardous substances or petroleum products and the volume of which is 10% or more beneath the surface of the ground.

User — the party seeking to use ASTM E1527-13 to complete a Phase I ESA of the subject property. A User may include, without limitation, a potential purchaser of property, a potential tenant of property, an owner of property, a lender, or a property manager.

User's Responsibilities — ASTM E1527-13 describes specific tasks to be performed by the Client/User that will help identify the possibility of RECs in connection with the subject property and which a) do not require the technical expertise of an environmental professional (EP) and b) are generally not performed by EPs performing a Phase I ESA. These tasks include communicating to the EP any specialized or actual knowledge or experience the Client/User may have with respect to the property, the relationship of the purchase price to the fair market value of the property, and the reason for conducting the Phase I ESA. Additionally, under ASTM E1527-13, it is the Client/User's responsibility to either: 1) engage a title company or title professional to undertake a review of reasonably ascertainable recorded land title records and lien records for environmental liens or AULs currently recorded against or relating to the property, or 2) negotiate such an engagement of a title company or title professional as an addition to the scope of the Phase I ESA activities.

Vapor Encroachment Condition (VEC) — the presence or likely presence of COC vapors in the subsurface of the subject property caused by the release of vapors from contaminated soil or groundwater or both either on or near the property.

Wastewater — water that (1) is or has been used in an industrial or manufacturing process, (2) conveys or has conveyed sewage, or (3) is directly related to manufacturing, processing, or raw materials storage areas at an industrial plant. Wastewater does not include water originating on or passing through or adjacent to a site, such as stormwater flows, that has not been used in industrial or manufacturing processes, has not been combined with sewage, or is not directly related to manufacturing, processing, or raw materials storage areas at an industrial plant.

(12/13)

16.0 QUALIFICATIONS OF ENVIRONMENTAL PROFESSIONALS

STEVE M. EVANS, R.G., L.G.

Associate

Technical Expertise

Mr. Evans has over 30 years of experience conducting Phase I and Phase II Environmental Site Assessments (ESAs), groundwater sampling, groundwater beneficial use surveys, remedial investigation and cleanup reports, feasibility studies, Brownfield redevelopment oversight, characterization of sediments prior to dredging, compliance sampling, and completion of National Environmental Policy Act (NEPA) evaluations.

Experience Summary

Mr. Evans has conducted Phase I ESAs for a wide variety of commercial, residential, agricultural, and industrial properties. He is knowledgeable with the ASTM E1527-13 standard, and is experienced in identifying potential environmental concerns. He has extensive experience with Phase II ESAs throughout Oregon, Washington, and California. He has performed Remedial Investigation and Feasibility Study projects and Brownfield redevelopment projects, and has managed construction of vapor barrier liner installation projects during site re-development. He has performed subsurface geotechnical soils investigations and his project experience includes remediation of numerous Underground Storage Tank (UST) sites, as well as sites contaminated with chlorinated solvents, metals, and other contaminants.

Credentials

Western Washington University, Bellingham, Washington – B.S. Geology

Professional Titles

- Oregon-Registered Geologist (R.G.)
- Washington-Licensed Geologist (L.G.) and Hydrogeologist

Professional Training

- OSHA 40-Hour HAZMAT Training and Annual 8-Hour Updates
- ODEQ Cleanup Training Seminar
- Midwest Geosciences Group USCS Soil Classification Seminar
- Environmental Data Resources, Inc. Upcoming Revisions to ASTM E1527
- Environmental Data Resources, Inc. Vapor Intrusion and Environmental Liability
- Hartman Environmental Geoscience Vapor Intrusion Pathway Updates and Refresher
- Various Webinars: Ongoing continuing education regarding current and newly identified potential environmental concerns

Employment History

| | | |
|------------------------------|-------------------------|-----------------|
| Hahn and Associates, Inc. | Associate | 2011 to present |
| Independent Contractor | Environmental Geologist | 1999 to 2011 |
| AGRA Earth & Environmental | Project Manager | 1991 to 1999 |
| Rittenhouse-Zeman Associates | Environmental Geologist | 1988 to 1991 |

(0819)

Phase I Environmental Site Assessment
2.6-Acre Undeveloped Property
9009 NE Dog Ridge Road, Newberg, Oregon Hahn and Associates, Inc.
9533 Ph I ASTM-13 Report .docx

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v1019

NORA H. ESKES, E.P.
Vice-President, Principal

Technical Expertise

Ms. Eskes is a Registered Environmental Assessor (R.E.A.), with expertise in conducting and managing Phase I Environmental Site Assessments (ESAs), including large and/or complex properties for which extensive historical and regulatory file research was required. She is the lead for the Site Assessment Group at HAI.

Experience Summary

Ms. Eskes has conducted and reviewed numerous Phase I ESAs since 1999 for a variety of government and private parties. These projects have included industrial facilities, commercial properties, shopping centers, automotive service stations, dry cleaning facilities, home sites, greenspace acquisitions, and agricultural and undeveloped properties. She is very experienced with the American Society of Testing and Materials (ASTM) Standard E1527 for Phase I ESAs, and with the potential issues of environmental concern related to various property/industry types. Ms. Eskes has conducted historical research and prepared reports of manufacturing sites dating from the 1850s, and is knowledgeable of the numerous resources needed to determine the history of a property or facility.

Credentials

B.S. General Science, University of Oregon
B.A. Community Studies, The Evergreen State College

Professional Titles and Affiliations

- Registered Environmental Assessor (R.E.A.), Class I, California, No. 30371

Professional Training

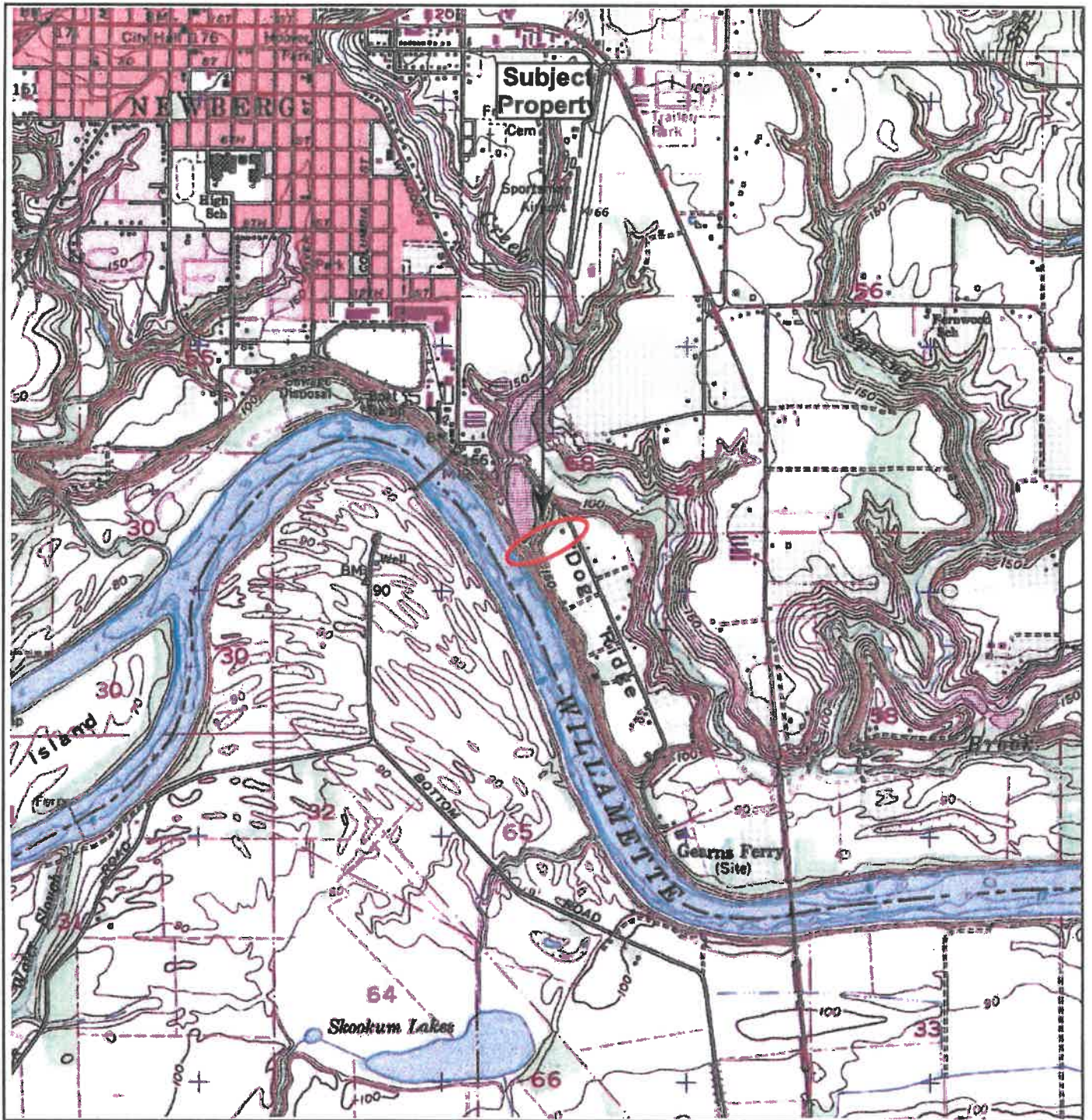
- OSHA 24-hour Health & Safety Training for Hazardous Waste (HW) Workers
- OSHA 8-Hour HW Refresher Course
- ASTM Environmental Site Assessment Course for Commercial Real Estate
- ASTM Assessment of Vapor Intrusion into Structures on Property Involved in Real Estate Transactions
- Environmental Data Resources, Inc. Due Diligence at Dawn Seminars
- Fundamental Contaminant Chemistry and Transport Workshop
- International Right-of-Way Association Environmental Due Diligence and Liability Course
- Environmental Data Resources, Inc. Upcoming Revisions to ASTM E1527
- Environmental Data Resources, Inc. Vapor Intrusion and Environmental Liability
- Various Webinars: Ongoing continuing education regarding current and newly identified potential environmental concerns

Employment History

| | | |
|---------------------------------|---------------------|-----------------|
| Hahn and Associates, Inc. | Principal | 1999 to present |
| Saliva Diagnostic Systems, Inc. | Clinical Researcher | 1992 to 1997 |

(0819)

FIGURES



Note:
 Base Map from the Newberg, Oregon (1985)
 USGS 7.5-Minute Quadrangle
 Contour Intervals: 10 Feet

FIGURE 1 Location Map

Phase I Environmental Site Assessment
 Approximately 2.6-Acre Undeveloped Property
 9009 NE Dog Ridge Road
 Newberg, Oregon



HAHN AND ASSOCIATES, INC.
 Project No. 9533

December 2019



LEGEND









-  Site Boundary
 -  Approximate Orchard Area (1930s-1950s)
 -  Approximate Soil Berm Area
 -  Open Well Casing
- Approximate Locations of Former Structures**
-  Earliest Structure (1936)
 -  Residence (1944 - 1970s)
 -  Residence (1990s)
 -  Outbuildings (1960s - 1970s)

FIGURE 2
Site and Surrounding Land Use Map
 Phase I Environmental Site Assessment
 Approximately 2.6-Acre Undeveloped Property
 9009 NE Dog Ridge Road
 Newberg, Oregon
 HAHN AND ASSOCIATES, INC.
 Project No. 9533

Figure Not to Scale

SITE PHOTOGRAPHS

Hahn and Associates, Inc.



| | |
|---|---|
| <p>HAHN AND ASSOCIATES, INC. 434 NW 6th Avenue, Suite 203 Portland, Oregon 97209 503.796.0717</p> | <p>Site Photographs taken May 23, 2019 Phase I Environmental Site Assessment Approximately 2.6-Acre Undeveloped Property 9009 Dog Ridge Road Newberg, Oregon</p> |
| | <p>Project No. 9533 December 2019</p> |

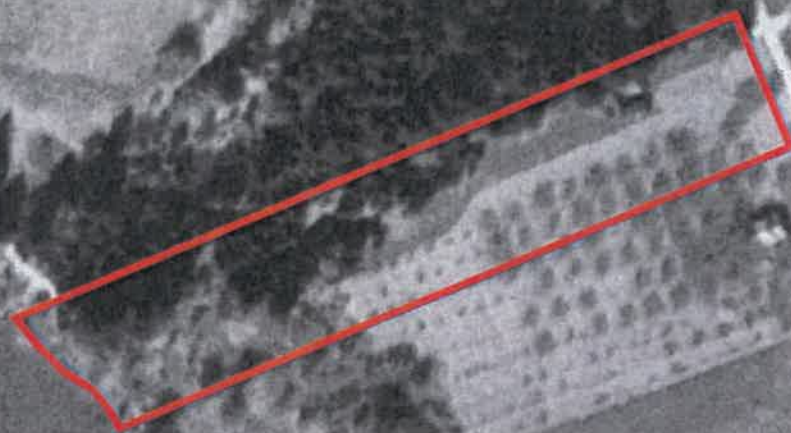


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| <p>HAHN AND ASSOCIATES, INC. 434 NW 6th Avenue, Suite 203 Portland, Oregon 97209 503.796.0717</p> | <p>Site Photographs taken May 23, 2019 Phase I Environmental Site Assessment Approximately 2.6-Acre Undeveloped Property 9009 Dog Ridge Road Newberg, Oregon</p> |
| | <p>Project No. 9533 December 2019</p> |



| | |
|---|---|
| <p>HAHN AND ASSOCIATES, INC. 434 NW 6th Avenue, Suite 203 Portland, Oregon 97209 503.796.0717</p> | <p>Site Photographs taken May 23, 2019 Phase I Environmental Site Assessment Approximately 2.6-Acre Undeveloped Property 9009 Dog Ridge Road Newberg, Oregon</p> |
| <p>Project No. 9533</p> | <p>December 2019</p> |

AERIAL PHOTOGRAPHS

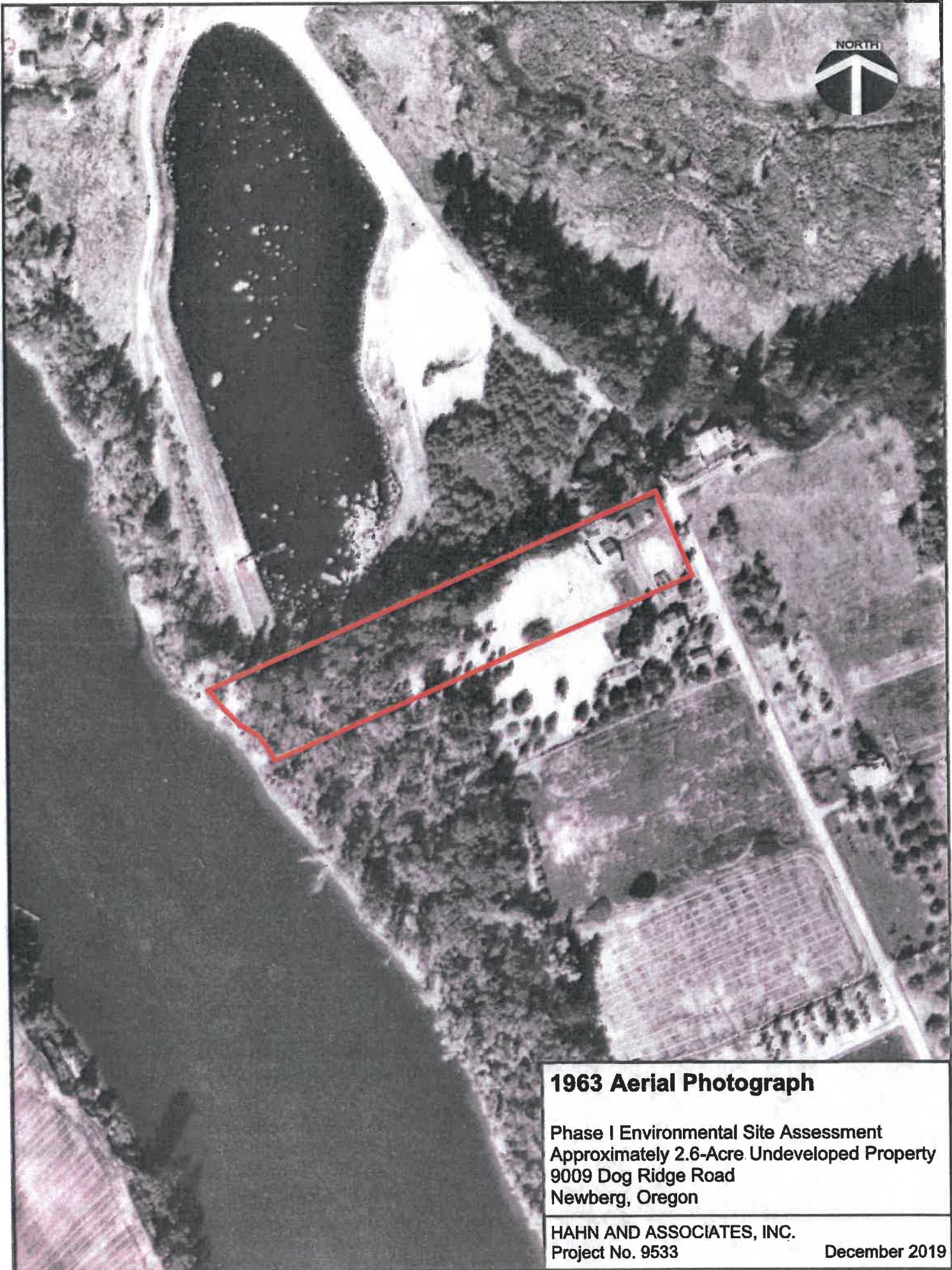


1936 Aerial Photograph

Phase I Environmental Site Assessment
Approximately 2.6-Acre Undeveloped Property
9009 NE Dog Ridge Road
Newberg, Oregon

HAHN AND ASSOCIATES, INC.
Project No. 9533

December 2019



1963 Aerial Photograph

Phase I Environmental Site Assessment
Approximately 2.6-Acre Undeveloped Property
9009 Dog Ridge Road
Newberg, Oregon

HAHN AND ASSOCIATES, INC.
Project No. 9533

December 2019



1991 Aerial Photograph

Phase I Environmental Site Assessment
Approximately 2.6-Acre Undeveloped Property
9009 NE Dog Ridge Road
Newberg, Oregon

HAHN AND ASSOCIATES, INC.
Project No. 9533

December 2019



2019 Aerial Photograph

Phase I Environmental Site Assessment
Approximately 2.6-Acre Undeveloped Property
9009 NE Dog Ridge Road
Newberg, Oregon

HAHN AND ASSOCIATES, INC.
Project No. 9533

December 2019

Investment Summary

Quote Number
02-2019-1187018.1

Company Information

Chehalem Park and Recreation
125 S Elliott Rd
Newberg, OR 97132
United States

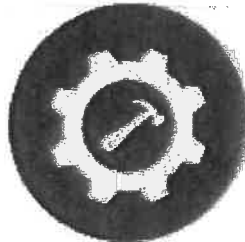
Executive Contact

Don Clements
Superintendent
dclements@cprdnewberg.org
(503) 537-4165



160

Total
Employees



\$0.00

Implementation
Costs



\$19,946.00

Total Annual
Investment

Expiration

1/5/2020

ADP Sales Associate

Kelsi Masterson
UMDM

kelsi.masterson@adp.com
971-732-2401

Company Information


Chehalem Park and Recreation
125 S Elliott Rd
Newberg, OR 97132
United States


Executive Contact


Don Clements
Superintendent
dclements@cprdnewberg.org
(503) 537-4165


Processing Fees and Considerations

Number of Employees: 160 on Chehalem Park and Recreation

|  Per Processing | Count | Min | Base | Rate | Semi-Monthly | Annual |
|---|-------|-----|---------|--------------|--------------|-------------|
| Workforce Now Payroll Solutions | 160 | - | \$61.75 | \$4.62 | \$800.95 | \$19,222.80 |
| <ul style="list-style-type: none"> • Essential Plus Payroll • Enhanced HR • HR Analytics • Essential Time • Time Analytics | | | | | | |
| Employment and Income Verification | | | | | | |
| • Employment Verification | | | | | | |
| Additional Jurisdiction (if applicable) | 2+ | | | \$8.95/month | | |
| International Employees Rate (if applicable) | | | | \$3.00/month | | |

|  Annual Processing | Count | Min | Base | Rate | Annual |
|---|-------|-----|------|--------|----------|
| Year End Forms, W2s or 1099s | 160 | - | - | \$4.52 | \$723.20 |

|  Total Annual Investment | Total Annual |
|---|--------------------|
| Workforce Now Services | <u>\$19,946.00</u> |

|  Other Considerations | Count | Rate | Setup |
|--|-------|--------|--------|
| Hardware and Other Fees | | | |
| • Professional Services: Pay Check History Conversion | 1 | \$0.00 | \$0.00 |
| • Professional Services: Historical Data Conversion | 1 | \$0.00 | \$0.00 |
| * Employee Pay Rate (or Salary) History | | | |
| * Employee Position (or Job Profile) History | | | |

|  Other Considerations | Setup |
|--|------------|
| Implementation | |
| • Implementation for Workforce Now Payroll Solutions | \$3,600.00 |

Company Information

Chehalem Park and Recreation
125 S Elliott Rd
Newberg, OR 97132
United States

Executive Contact

Don Clements
Superintendent
dclements@cprdnewberg.org
(503) 537-4165

Important Project and Billing Information

Billing for Payroll Processing Services, HCM and any module bundled into the single per employee per processing fee for payroll, is billed immediately following the client's first payroll processing. The billing count is based on the number of pays submitted during each processing period, therefore total billing may fluctuate.

Billing for all modules bundled under HCM Solutions will begin on the date the ADP Product or Service is available for use by the CLIENT in a production environment. The billing count is based on all unique lives in the database paid in the previous calendar month. Any non-terminated employees based outside the United States will be billed separately as International Employees.

History Conversion: The services noted on this sales order are performed by ADP Professional Services and are for companies with less than 1000 active employees with a maximum of 5000 total records (a combination of both active and terminated lives) with data coming from a single data base source. Conversion of history from a database with a greater number of records or from multiple databases must be quoted via a customized statement of work. For additional Terms see Annex X of the Master Service Agreement

Promotion

Promotion is spread over the first two (2) years of services (also referred to as the Promotional Period) applying to months 7 & 8 each year from each product/controls start date. Actual promotional value may vary based on a number of reasons, including but not limited to: start date, number of processings during the promotional month(s) and actual number of employees paid during the promotional months.

Other

ADP's Fees for Service will be debited directly out of client's bank account of their choosing seven (7) days from invoice date.
Expiration Date: 1/5/2020

| | | | |
|----------------------------------|-------------|---------------------------|--------|
| Summary | | | |
| Estimated Annual Net Investment: | \$19,946.00 | Total Net Implementation: | \$0.00 |

The ADP Services Listed on this Sales Order are provided at the prices set forth herein and in accordance with the ADP Master Services Agreement (or other similar agreement governing ADP's services), which shall include any appendix, exhibit, addendum, schedule or other similar document attached thereto or accompanying this Sales Order. By signing below you are acknowledging and agreeing to such terms and conditions and to the listed prices.

Company Information

Chehalem Park and Recreation
125 S Elliott Rd
Newberg, OR 97132
United States

Executive Contact

Don Clements
Superintendent
dclements@cprdnewberg.org
(503) 537-4165

ADP, LLC

Client: Chehalem Park and Recreation

Signature: *Kelsi Masterson*

Signature: *Shy Montoya*

Name: Kelsi Masterson

Name: Shy Montoya

Title: UMDM

Title: Administrative Coordinator

Date: 12/16/2019

Date: 12/30/2019

Company Information

Chehalem Park and Recreation
125 S Elliott Rd
Newberg, OR 97132
United States

Executive Contact

Don Clements
Superintendent
dclements@cprdnewberg.org
(503) 537-4165

Workforce Now Included Services

Essential Plus Payroll

- Tax Filing Service
- Payment Services
- Reports Library and Custom Report Writer
- Wage Garnishment Processing
- Group Term Life Auto Calculation
- One Delivery Location

Enhanced HR

- Employee Development Tracking
- Paid Time Off Accruals Engine
- Multiple Languages & Currencies
- Country Specific Workflows & Processes
- Country Specific Formatting & Custom Fields
- Secure Online Document Storage with Role Based Security, Search & Auditing Functionality

HR Analytics

- Pre-Configured Key Performance
- Executive Dashboard

Essential Time

- Time Collection
- PTO Management & Reporting
- Request & Approval Workflows
- ADP Portal with Customized Content

Time Analytics

- Pre-Configured Key performance
- Executive Dashboards

Hackett Best Practice Program

- Semi-Annual Meeting with Hackett Advisor
- Semi-Annual Benchmarking

Employment Verification

- Commercial Employment and Income Verifications
- Social Services Verifications
- Workers Compensation Verifications

- Employee and Manager Self Service
- Access to Mobile Apps
- Employee Discount Program
- New Hire Reporting
- General Ledger Solution
- Online Reports and Pay Statements

- New Hire Onboarding / I-9 Workflow
- Compliance Reporting
- Organization Charting
- Policy Acknowledgement
- Total Rewards Statements

- Ability to Customize Additional KPIs

- Rule Based Calculations
- Scheduling
- Mobile Access
- Paid Time Off Accruals

- Ability to Customize Additional KPI's

- Access to WFN Hackett Portal - best practices, key metrics and play books
- Hackett white papers, webinars and research

- Client access to Electronic Reports and Tools

- Immigration Verifications

Financial
Review

Sales Order
Quote Number
02-2019-1187018.1



Company Information

Chehalem Park and Recreation
125 S Elliott Rd
Newberg, OR 97132
United States

Executive Contact

Don Clements
Superintendent
dclements@cprdnewberg.org
(503) 537-4165

Workforce Now Included Services

Implementation Support and Data Conversion

- Pay Rate (or Salary) History: Inc. up to 7 years; Max 5000 lives

- Position (or Job Profile) History: Inc. up to 7 years; Max 5000 lives

Thank you for your consideration



ADP Workforce Now
Master Services Agreement



ADP, LLC: (referred to herein as "ADP")
One ADP Boulevard
Roseland, New Jersey 07068
United States

Client: (referred to herein as "Client")
Chehalem Park and Recreation
125 S Elliott Rd
Newberg, OR 97132, United States
Shy Montoya

12-16-2019
(Effective Date)

ADP and Client agree that ADP shall provide Client with the following services in accordance with the terms set forth in this ADP Workforce Now Master Services Agreement.

| | |
|-----------------|---|
| ANNEX A: | GENERAL TERMS AND CONDITIONS |
| ANNEX B: | PAYROLL, EMPLOYMENT TAX, WAGE PAYMENT AND EMPLOYMENT VERIFICATION SERVICES |
| ANNEX C: | TIME AND ATTENDANCE SERVICES |
| ANNEX D: | HR, BENEFITS AND TALENT MANAGEMENT SERVICES |
| ANNEX P: | HACKETT BEST PRACTICE PROGRAM |
| ANNEX X: | PROFESSIONAL SERVICES (**Additional terms and Conditions if Client requires Services to be performed by ADP Professional Services) |

BY SIGNING BELOW, CLIENT ACKNOWLEDGES THAT THEY HAVE REVIEWED THE ENTIRE AGREEMENT INCLUDING THE TERMS AND CONDITIONS IN EACH ANNEX CORRESPONDING TO SERVICES PURCHASED PURSUANT TO THE SALES ORDER.

This Agreement includes the Annexes related to the services selected by Client. Each Annex listed above is attached hereto and is incorporated into this Agreement in full by this reference as if set forth in this Agreement in full.

| | |
|---|---|
| <p>ADP, LLC <i>Kelsi Masterson</i></p> <hr/> <p>(Signature of Authorized Representative)</p> <p>Kelsi Masterson</p> <hr/> <p>(Name - Please Print)</p> <p>UMDM 12/16/2019</p> <hr/> <p>(Title) (Date)</p> | <p>CLIENT <i>Shy Montoya</i></p> <hr/> <p>(Signature of Authorized Representative)</p> <p>Shy Montoya</p> <hr/> <p>(Name - Please Print)</p> <p>Administrative Coordinator 12/30/2019</p> <hr/> <p>(Title) (Date)</p> |
|---|---|

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1 Definitions.

- 1.1 "ADP" has the meaning set forth on the cover page.
- 1.2 "ADP Application Programs" means the computer software programs and related Documentation, including any updates, modifications or enhancements thereto, that are either delivered or made accessible to Client through a hosted environment by ADP in connection with the Services.
- 1.3 "ADP Workforce Now" means ADP's web-based portal which provides a single point of access to ADP online solutions and employee-facing websites and resources related to payroll, HR, benefits, talent, and time and attendance.
- 1.4 "Agreement" means this ADP Workforce Now - Master Services Agreement, consisting of the signature pages, the General Terms and Conditions, all exhibits, annexes, addendum, appendices and schedules, and each amendment, if any.
- 1.5 "Affiliate" means any individual, corporation or partnership or any other entity or organization (a "person") that controls, is controlled by or is under common control of a party. For purposes of the preceding definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through ownership of voting securities or by contract or otherwise.
- 1.6 "API" means ADP approved application programming interface(s) that support point to point interaction of different systems.
- 1.7 "Approved Country" means each country in which, subject to the terms of this Agreement, Client is authorized to use or receive the Services. The Approved Country for the Services is the United States.
- 1.8 "Business Day" means any day, except a Saturday, Sunday or a day on which ADP's bank is not open for business in the applicable jurisdiction where services are provided by ADP.
- 1.9 "Client" has the meaning set forth on the cover page.
- 1.10 "Client Content" means all information and materials provided by Client, its agents or employees, regardless of form, to ADP under this Agreement.
- 1.11 "Client Group" means Client and Client's Affiliates who are receiving Services under this Agreement pursuant to a Sales Order.
- 1.12 "Client Infringement Event" means (i) any change, or enhancement, or use of, the Services made by Client or a third party on behalf of Client other than at the direction of, or as approved by, ADP, or (ii) Client's failure to use the most current release or version of such computer software programs included in the ADP Application Programs, or any corrections or enhancements provided by ADP thereto (to the extent ADP requires Client to use the most current release or version of any computer software programs, the implementation of such shall be at no charge to Client).
- 1.13 "Confidential Information" means all information of a confidential or proprietary nature, including pricing and pricing related information and all Personal Information, provided by the disclosing party to the receiving party under this Agreement but does not include (i) information that is already known by the receiving party, (ii) information that becomes generally available to the public other than as a result of disclosure by the receiving party in violation of this Agreement, and (iii) information that becomes known to the receiving party from a source other than the disclosing party on a non-confidential basis.
- 1.14 "Documentation" means all manuals, tutorials and related materials that may be provided or made available to Client by ADP in connection with the Services.
- 1.15 "General Terms and Conditions" means the terms and conditions contained in this Annex A.
- 1.16 "Gross Negligence" has the meaning set forth in Section 7.3.1.
- 1.17 "Improvements" has the meaning set forth in Section 5.4.
- 1.18 "Incident" means a security breach (as defined in any applicable law) or any other event that compromises the security, confidentiality or integrity of Client's Personal Information.
- 1.19 "Indemnitees" has the meaning set forth in Section 6.3.
- 1.20 "Indemnitor" has the meaning set forth in Section 6.3.
- 1.21 "Intellectual Property Rights" means all rights, title and interest to or in patent, copyright, trademark, service mark, trade secret, business or trade name, know-how and rights of a similar or corresponding character.
- 1.22 "Internal Business Purposes" means the usage of the Services solely by the Client Group for its own internal business purposes, without the right to provide service bureau or other data processing services, or otherwise share or distribute the Services, to any party outside the Client Group, unless expressly contemplated by this Agreement.
- 1.23 "NACHA" means the National Automated Clearing House Association.
- 1.24 "Payee" means any intended recipient of payments under the Payment Services and may include Client's employees, taxing authorities, governmental agencies, suppliers, benefit carriers and/or other third parties; provided that in the case of ADP Wage Payment Services, Payee shall be limited to Client's employees and independent contractors.
- 1.25 "Payment Services" means any Services that involve electronic or check payments being made by ADP to third parties on Client's behalf and at its direction.
- 1.26 "Personal Information" means information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identification number or to one or more factors specific to such person's physical, physiological, mental, economic, cultural or social identity.
- 1.27 "Price Agreement" means a supplemental agreement between the parties that addresses future price increase rates on certain Services over a specific period of time.
- 1.28 "Sales Order(s)" means the document(s) between the parties that lists the specific Services purchased by Client Group from ADP.
- 1.29 "Services" means the services (including implementation services related thereto) listed in any Sales Order, and such other services as the parties may agree to be performed from time to time.
- 1.30 "SOC 1" means any routine Service Organization Control 1 reports.
- 1.31 "Termination Event" means with respect to any party, the occurrence of any of the following: (i) under the applicable bankruptcy laws or similar law regarding insolvency or relief for debtors, (A) a trustee, receiver, custodian or similar officer is appointed over a party's business or property, (B) a party seeks to liquidate, wind-up, dissolve, reorganize or otherwise



obtain relief from its creditors, or (C) an involuntary proceeding is commenced against a party and the proceeding is not stayed, discharged or dismissed within thirty (30) days of its commencement, or (ii) a party's Standard and Poor's issuer credit rating falls to or below BB.

- 1.32 "User" means any single natural person who, subject to the terms of this Agreement, is authorized by Client to use, access or receive the Services.

2 Provision and Use of Services

- 2.1 **Provision of Services.** ADP, or one of its Affiliates, will provide the Services to Client in accordance with the terms of this Agreement and any applicable Sales Order(s). ADP will provide the Services in a good, diligent and professional manner in accordance with industry standards, utilizing personnel with a level of skill commensurate with the Services to be performed. ADP's performance of the Services (including any applicable implementation activities) is dependent upon the timely completion of Client's responsibilities and obligations under this Agreement. Without limitation of the foregoing, Client will timely provide the Client Content necessary for ADP to provide the Services.
- 2.2 **Cooperation.** ADP and Client will work together to implement the Services. Client will cooperate with ADP and execute and deliver all documents, forms, or instruments necessary for ADP to implement and render the Services. Client will provide ADP with all reasonable and necessary Client Content in the format requested by ADP, and will otherwise provide all reasonable assistance required of Client in order for ADP to implement the Services. In the event a Client migrates from any other ADP service or platform, Client consents to ADP transferring Client data from such platform to ADP Workforce Now.
- 2.3 **Use of Services.** Client will use the Services in accordance with the terms of this Agreement and solely for its own Internal Business Purposes in the Approved Country. Client will be responsible for the use of the Services by the Client Group and the Users in accordance with the terms of this Agreement. Client is responsible for the accuracy and completeness of the Client Content provided to ADP. The Services are designed for use in the United States only and ADP makes no representation or warranty that access and use of the Services from outside the United States by Client employee managers and/or other Users who are not physically located in the United States comport with any local laws, regulations, or directives in any other country. Should Client or any of its employees or Users seek to access and use the Services outside of the United States, Client, and not ADP, shall be solely responsible for compliance with all laws and governmental regulations required under any applicable employment, labor and taxing laws and regulations and Client understands that the Services have not been designed to assist Client in complying with the laws and regulations of any country other than the United States.
- 2.4 **Errors.** Client will promptly review all documents and reports produced by ADP and provided or made available to Client in connection with the Services and promptly notify ADP of any error, omission, or discrepancy with Client's records. ADP will promptly correct such error, omission or discrepancy and, if such error, omission or discrepancy was caused by ADP, then such correction will be done at no additional charge to Client.
- 2.5 **Records.** Without prejudice to ADP's obligation to retain the data necessary for the provision of the Services, ADP does not serve as Client's record keeper and Client will be responsible for retaining copies of all documentation received from and Client Content provided to ADP in connection with the Services to the extent required by Client.

3 Compliance.

- 3.1 **Applicable Laws.** Each party will comply with applicable laws and regulations that affect its business generally, including any rule and regulations applicable to ADP regarding export controls and trade with prohibited parties.
- 3.2 **Design of the Services.** ADP will design the Services, including the functions and processes applicable to the performance of the Services, to assist the Client in complying with its legal and regulatory requirements applicable to the Services, and ADP will be responsible for the accuracy of such design. Client and not ADP will be responsible for (i) how it uses the Services to comply with its legal and regulatory requirements and (ii) the consequences of any instructions that it gives or fails to give to ADP, including as part of the implementation of the Services, provided ADP follows such instructions. Services do not include any legal, financial, regulatory, benefits, accounting or tax advice.
- 3.3 **Online Statements.** If Client instructs ADP to provide online pay statements, Forms W2, Forms 1099 or Forms 1095-C, as applicable, without physical copies thereof, Client will be exclusively responsible for determining if and to what extent Client's use of online pay statements, Forms W2, Forms 1099 or Forms 1095-C, as applicable, satisfies Client's obligations under applicable laws and the consequences resulting from such determinations.
- 3.4 **Data Protection Laws.** Client represents that Personal Information transferred by Client or at Client's direction to ADP has been collected in accordance with applicable privacy laws, and ADP agrees that it shall only process the Personal Information as needed to perform the Services, or as required or permitted by law.

4 Confidentiality

- 4.1 **General.** All Confidential Information disclosed under this Agreement will remain the exclusive and confidential property of the disclosing party. The receiving party will not disclose to any third party the Confidential Information of the disclosing party and will use at least the same degree of care, discretion and diligence in protecting the Confidential Information of the disclosing party as it uses with respect to its own confidential information. The receiving party will limit access to Confidential Information to its employees with a need to know the Confidential Information and will instruct those employees to keep such information confidential. ADP may disclose Client's Confidential Information on a need to know basis to (i) ADP's subcontractors who are performing the Services, provided that ADP shall remain liable for any unauthorized disclosure of Client's Confidential Information by those subcontractors, (ii) employees of ADP's Affiliates, provided such employees are instructed to keep the information confidential as set forth in this Agreement and (iii) social security agencies, tax authorities and similar third parties, to the extent strictly necessary to perform the Services. ADP may use Client's and its employees' and other Services recipients' information in an aggregated, anonymized form, such that neither Client nor



such person may be identified, and Client will have no ownership interest in such aggregated, anonymized data. Client authorizes ADP to release employee-related data, and such other data as required to perform the Services, to third party vendors of Client as designated by Client from time to time. Notwithstanding the foregoing, the receiving party may disclose Confidential Information (x) to the extent necessary to comply with any law, rule, regulation or ruling applicable to it, (y) as appropriate to respond to any summons or subpoena or in connection with any litigation and (z) to the extent necessary to enforce its rights under this Agreement.

- 4.2 Return or Destruction.** Upon the request of the disclosing party or upon the expiration or earlier termination of this Agreement, and to the extent feasible, the receiving party will return or destroy all Confidential Information of the disclosing party in the possession of the receiving party, provided that each party may maintain a copy if required to meet its legal or regulatory obligations and may maintain archival copies stored in accordance with regular computer back-up operations. To the extent that any portion of Confidential Information of a disclosing party remains in the possession of the receiving party, such Confidential Information shall remain subject to the generally applicable statutory requirements and the confidentiality protections contained in Section 4.1.
- 4.3 Transfer.** The Services may be performed by ADP Affiliates or subcontractors located in other countries, and ADP may transfer or permit access to Client's Confidential Information, including employees' Personal Information, for the purposes of performing the Services outside of Canada and the United States of America. As a result, Client's employees' Personal Information may be subject to the laws of such jurisdictions and may be accessible to the courts and law enforcement authorities of those jurisdictions. Notwithstanding the foregoing, ADP will remain responsible for any unauthorized disclosure or access of Client's employees' Personal Information by any ADP Affiliate or subcontractor in the performance of any such Services.

5 INTELLECTUAL PROPERTY

- 5.1 Client IP Rights.** Except for the rights expressly granted to ADP in this Agreement, all rights, title and interests in and to Client Content, including all Intellectual Property Rights inherent therein and pertaining thereto, are owned exclusively by Client or its licensors. Client hereby grants to ADP for the term of this Agreement a non-exclusive, worldwide, non-transferable, royalty-free license to use, edit, modify, adapt, translate, exhibit, publish, reproduce, copy and display the Client Content for the sole purpose of performing the Services; provided Client has the right to pre-approve the use by ADP of any Client trademarks or service marks.
- 5.2 ADP IP Rights.** Except for the rights expressly granted to Client in this Agreement, all rights, title and interest in and to the Services, including all Intellectual Property Rights inherent therein and pertaining thereto, are owned exclusively by ADP or its licensors. ADP grants to Client for the term of this Agreement a personal, non-exclusive, non-transferable, royalty-free license to use and access the ADP Application Programs solely for the Internal Business Purposes in the Approved Countries. The ADP Application Programs do not include any Client-specific customizations unless otherwise agreed in writing by the parties. Client will not obscure, alter or remove any copyright, trademark, service mark or proprietary rights notices on any materials provided by ADP in connection with the Services, and will not copy, decompile, recompile, disassemble, reverse engineer, or make or distribute any other form of, or any derivative work from, such ADP materials.
- 5.3 Ownership of Reports.** Client will retain ownership of the content of reports and other materials that include Client Content produced and delivered by ADP as a part of the Services, provided that ADP will be the owner of the format of such reports. To the extent any such reports or other materials incorporate any ADP proprietary information, ADP (i) retains sole ownership of such proprietary information and (ii) provides the Client a fully paid up, irrevocable, perpetual, royalty-free license to access and use same for its Internal Business Purposes without the right to create derivative works (other than derivative works to be used solely for its Internal Business Purposes) or to further distribute any of the foregoing rights outside the Client Group.
- 5.4 Improvements.** ADP will make available to Client, at no additional cost, software improvements, enhancements, or updates to any ADP Application Programs that are included in the Services (collectively "Improvements") if and as they are made generally available by ADP at no additional cost to ADP's other clients using the same ADP Application Programs as Client and receiving the same Services as Client. All Improvements provided under this Section 5.4 shall be considered part of the ADP Application Programs

6 Indemnities

- 6.1 ADP Indemnity.** Subject to the remainder of this Section 6.1, and Section 6.3 and 7, ADP shall defend Client in any suit or cause of action, and indemnify and hold Client harmless against any damages payable to any third party in any such suit or cause of action, alleging that the Services or ADP Application Programs, as provided by ADP and used in accordance with the terms of this Agreement, infringe upon any Intellectual Property Rights of a third party in an Approved Country. The foregoing infringement indemnity will not apply and ADP will not be liable for any damages assessed in any cause of action to the extent resulting from a Client Infringement Event or ADP's use of Client Content as contemplated by this Agreement. If any Service is held or believed to infringe on any third-party's Intellectual Property Rights, ADP may, in its sole discretion, (i) modify the Service to be non-infringing, (ii) obtain a license to continue using such Service, or (iii) if neither (i) nor (ii) are practical, terminate this Agreement as to the infringing Service.
- 6.2 Client Indemnity.** Subject to Sections 6.3 and 7, Client will defend ADP against any third party claims and will indemnify and hold ADP harmless from any resulting damage awards or settlement amounts in any cause of action to the extent such cause of action is based on the occurrence of a Client Infringement Event or ADP's use of Client Content as contemplated by this Agreement.
- 6.3 Indemnity Conditions.** The indemnities set forth in this Agreement are conditioned on the following: (i) the party claiming indemnification (the "Indemnitee") shall promptly notify the indemnifying party (the "Indemnitor") of any matters in respect of which it seeks to be indemnified, and shall give the Indemnitor full cooperation and opportunity to control the response thereto and the defense thereof, including without limitation any settlement thereof, (ii) the Indemnitor shall have no



obligation for any claim under this Agreement if the Indemnitee makes any admission, settlement or other communication regarding such claim without the prior written consent of the Indemnitor, which consent shall not be unreasonably withheld, and (iii) the Indemnitee's failure to promptly give notice to the Indemnitor shall affect the Indemnitor's obligation to indemnify the Indemnitee only to the extent the Indemnitor's rights are materially prejudiced by such failure. The Indemnitee may participate, at its own expense, in such defense and in any settlement discussions directly or through counsel of its choice.

7 Limit on Liability

- 7.1 Ordinary Cap.** Notwithstanding anything to the contrary in this Agreement and subject to the remainder of this Section 7, neither party's aggregate limit on monetary damages in any calendar year shall exceed an amount equal to six (6) times the average ongoing monthly Services fees paid or payable to ADP by Client during such calendar year (the "Ordinary Cap"). ADP will issue Client a credit(s) equal to the applicable amount and any such credit(s) will be applied against subsequent fees owed by Client.
- 7.2 Extraordinary Cap.** As an exception to Section 7.1, if damages (monetary or otherwise) arise from a breach of Section 4.1 (Confidentiality) or Section 9.3 (Data Security), the Ordinary Cap will be increased by an additional six (6) times the average ongoing monthly Service fees paid or payable to ADP by Client during such calendar year (the "Extraordinary Cap"). For the avoidance of doubt, in no case shall either party's aggregate limit on monetary damages in any calendar year under this Agreement exceed twelve (12) times the average monthly ongoing Service fees paid or payable to ADP by Client during such calendar year.
- 7.3 Matters not Subject to Either Cap.** The limitations of liability set forth in Sections 7.1 and 7.2 shall not apply to:
- 7.3.1** Either party's Gross Negligence, or willful, criminal or fraudulent misconduct; for the purposes of this Agreement, "Gross Negligence" shall be defined as: (1) willful, wanton, careless or reckless conduct, misconduct, failures, omissions, or disregard of the duty of care towards others of a risk known or so obvious that the actor must be taken to have been aware of it, and with an intent to injure or so great as to make it highly probable that harm would follow and/or (2) failure to use even the slightest amount of care, or conduct so reckless, as to demonstrate a substantial lack of concern for the safety of others. For the avoidance of doubt, Gross Negligence must be more than any mere mistake resulting from inexperience, excitement, or confusion, and more than mere thoughtlessness or inadvertence or simple inattention;
 - 7.3.2** The infringement indemnity set forth in Sections 6.1 and 6.2;
 - 7.3.3** Client's obligations to pay the fees for Services;
 - 7.3.4** ADP's obligations to provide credit monitoring and notifications as set forth in Section 10.2;
 - 7.3.5** Client's funding obligations in connection with the Payment Services;
 - 7.3.6** ADP's loss or misdirection of Client funds in possession or control of ADP due to ADP's error or omission;
 - 7.3.7** In connection with the Employment Tax Services as provided in Annex B, (a) interest charges imposed by an applicable tax authority on Client for the failure by ADP to pay funds to the extent and for the period that such funds were held by ADP and (b) all tax penalties resulting from ADP's error or omission in the performance of such Service. The provisions of this subsection 7.3.7 shall only apply if (x) Client permits ADP to act on Client's behalf in any communications and negotiations with the applicable taxing authority that is seeking to impose any such penalties or interest and (y) Client assists ADP as reasonably required by ADP.
 - 7.3.8** Client's use or access of the Services and/or ADP Application Programs outside of the Approved Countries
- 7.4 Mitigation of Damages.** ADP and Client will each use reasonable efforts to mitigate any potential damages or other adverse consequences arising from or relating to the Services.
- 7.5 No Consequential Damages.** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT AND ONLY TO THE EXTENT PERMITTED BY APPLICABLE LAW, NONE OF ADP, CLIENT OR ANY BANK WILL BE RESPONSIBLE FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING DAMAGES FOR LOSS OF BUSINESS OR PROFITS, BUSINESS INTERRUPTIONS OR HARM TO REPUTATION) THAT ANY OTHER PARTY OR ITS RESPECTIVE AFFILIATES MAY INCUR OR EXPERIENCE IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES, HOWEVER CAUSED AND UNDER WHATEVER THEORY OF LIABILITY, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing exclusion shall not apply to claims for consequential damages arising from ADP's or Client's (i) willful, criminal or fraudulent misconduct, or (ii) breach or breaches of Section 4.1 or Section 9.3 under this Agreement; provided however, that any consequential damages recovered by Client or ADP in a calendar year for claims pursuant to Section 7.5(ii) will be subject to the Extraordinary Cap set forth in Section 7.2 above.

8 WARRANTIES AND DISCLAIMER

- 8.1 Warranties.** Each party warrants that (i) it has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby and (ii) this Agreement has been duly and validly executed and delivered and constitutes the valid and binding agreement of the parties, enforceable in accordance with its terms.
- 8.2 DISCLAIMER.** EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, ALL SERVICES, ADP APPLICATION PROGRAMS AND EQUIPMENT PROVIDED BY ADP OR ITS SUPPLIERS ARE PROVIDED "AS IS" AND ADP AND ITS LICENSORS AND SUPPLIERS EXPRESSLY DISCLAIM ANY WARRANTY, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, COMPLETENESS, CURRENTNESS, NON-INFRINGEMENT, NON-INTERRUPTION OF USE, AND FREEDOM FROM PROGRAM ERRORS, VIRUSES OR ANY OTHER MALICIOUS CODE, WITH RESPECT TO THE SERVICES, THE ADP APPLICATION PROGRAMS, ANY CUSTOM PROGRAMS CREATED BY ADP OR ANY THIRD-PARTY SOFTWARE DELIVERED BY ADP AND RESULTS OBTAINED THROUGH THE USE THEREOF.



9 SECURITY AND CONTROLS

- 9.1 Service Organization Control Reports.** Following completion of implementation of any applicable Services, ADP will, at Client's request and at no charge, provide Client with copies of any routine Service Organization Control 1 reports ("SOC 1 Reports") (or any successor reports thereto) directly related to the core ADP Application Programs utilized to provide the Services provided hereunder for Client and already released to ADP by the public accounting firm producing the report. SOC 1 Reports are ADP Confidential Information and Client will not distribute or allow any third party (other than its independent auditors) to use any such report without the prior written consent of ADP. Client will instruct its independent auditors or other approved third parties to keep such report confidential and Client will remain liable for any unauthorized disclosure of such report by its independent auditors or other approved third parties.
- 9.2 Business Continuity; Disaster Recovery.** ADP has established and will maintain a commercially reasonable business continuity and disaster recovery plan and will follow such plan.
- 9.3 Data Security.** ADP has established and will maintain an information security program containing appropriate administrative, technical and physical measures to protect Client data (including any Personal Information therein) against accidental or unlawful destruction, alteration, unauthorized disclosure or access consistent with applicable laws. In the event ADP suspects any unauthorized access to, or use of, the Services, ADP may suspend access to the Services to the extent ADP deems necessary to preserve the security of the Client's data.

10 DATA SECURITY INCIDENT

- 10.1 Notification.** If ADP becomes aware of a security breach (as defined in any applicable law) or any other event that compromises the security, confidentiality or integrity of Client's Personal Information (an "Incident"), ADP will take appropriate actions to contain, investigate and mitigate the Incident. ADP shall notify Client of an Incident as soon as reasonably possible.
- 10.2 Other ADP Obligations.** In the event that an Incident is the result of the failure of ADP to comply with the terms of this Agreement, ADP shall, to the extent legally required or otherwise necessary to notify the individuals of potential harm, bear the actual, reasonable costs of notifying affected individuals. ADP and Client shall mutually agree on the content and timing of any such notifications, in good faith and as needed to meet applicable legal requirements. In addition, where notifications are required and where such monitoring is practicable and customary, ADP shall also bear the cost of one year of credit monitoring to affected individuals in applicable jurisdictions.

11 PAYMENT TERMS

- 11.1 Fees and Fee Adjustments.** Client will pay to ADP the fees and other charges for the Services as set forth in the Sales Order. Unless there is a Price Agreement in effect, the fees set forth in the Sales Order will remain fixed during the first six (6) months following the Effective Date and thereafter, ADP may modify the fees on an annual basis upon thirty (30) days' prior written notice to Client. The fees presented in the Sales Order were calculated based upon particular assumptions relative to Client requirements (including funding requirements), specifications, volumes and quantities as reflected in the applicable Sales Order and related documentation, and if Client's actual requirements vary from what is stated, ADP may adjust the fees based on such changes. The fees do not include any customizations to any Service.
- 11.2 Additional Services and Charges.** If Client requests additional services offered by ADP not included in this Agreement, and ADP agrees to provide such services: (i) those services and related fees will be included in a separate Sales Order; (ii) any Services provided to Client but not included in a Sales Order will be provided subject to the terms of this Agreement and charged at the applicable rates as they occur; and (iii) those services will be considered to be "Services" for purposes of this Agreement. Additional charges may be assessed Client in relation to the performance of the Services in certain circumstances, including without limitation, late funding, an insufficient funds notification and emergency payment requests from Client.
- 11.3 Fees for Implementation Services.** Implementation fees are due and payable by Client upon the go-live date for such Services. However, if this Agreement or any Service are terminated after implementation services have started but before the go-live date, the greater of the following amounts shall be immediately due and payable by Client: (i) implementation fees for implementation services performed up to the date of termination; or (ii) thirty percent (30%) of the total Implementation Fees set out in the Sales Order.
- 11.4 Invoicing.** ADP will notify Client of all applicable Services fees payable by Client by way of invoice or other method (i.e. ADP's on-line reporting tool). Client will pay the amount on each invoice or such other similar document in full pursuant to the agreed upon method of payment set forth in the Sales Order. All amounts not paid when due are subject to a late payment charge of one and one-half percent (1½%) per month (not to exceed the maximum allowed by applicable law) of the past due amount from the due date until the date paid.
- 11.5 Currency.** Client shall pay the fees in US dollars.
- 11.6 Taxes.** Unless Client provides ADP a valid tax exemption or direct pay certificate, Client will pay directly, or will pay to ADP, an amount equal to all applicable taxes or similar fees levied or based on the Agreement or the Services, exclusive of taxes based on ADP's net income.
- 11.7 Postage, Shipping Travel and out-of-pocket expenses.** ADP will invoice Client for postage charges, delivery charges, other third party charges, and reasonable travel and out-of-pocket expenses as necessary to provide the Services.
- 11.8 Funding Requirements and Disbursement Disclosures.** With respect to Payment Services to be deducted by ACH or Pre-Authorized Debit, Client must have sufficient good funds for payment of the payroll obligations, tax filing obligations, wage garnishment deduction obligations, service fees (as applicable), expenses, and any other applicable charges, to be direct debited from Client's designated account no later than one (1) banking day prior to the pay date for the applicable payroll (in the case of payroll processing services), or as otherwise agreed by the parties. For reverse wire clients, funds must be available (a) one (1) banking day prior to the pay date for the applicable payroll (in the case of the ADP



Employment Tax Services) and (b) two (2) banking days prior to the pay date for all other Payment Services, or as otherwise agreed by the parties. In consideration for the additional costs incurred by ADP in providing wire transfer service, Client agrees to pay a reasonable fee (currently \$10.00) for each wire transfer. Notwithstanding the foregoing, ADP reserves the right to modify the aforementioned deadlines at any time and will communicate any such modifications to Client.

11.9 Change Control. In the event either party requests a change in the scope of Services (including implementation services) or any rework is required by ADP as a result of a delay by Client in implementation of any Services (each a "Change Control Item"), the parties shall address such change request, if possible via ADP's change control process. Change Control Items and the cost associated with such changes (if any) to the Services shall be mutually agreed to by the parties and shall be defined in a statement of work agreed to by the parties, with the exceptions of Change Control Items that are required to be made by law or regulation applicable to the Services or to the duration of implementation services, which ADP will notify Client of prior to making the change.

12 Term; Termination; Suspension

12.1 Term; Termination for Convenience This Agreement will commence on the Effective Date and remain in effect until terminated by either party in accordance with the terms hereof. Subject to the terms of any Price Agreement, either party may terminate this Agreement or any Service upon ninety (90) days' prior written notice to the other party (except as otherwise set forth in any Annex herein). In the event Client does not provide ADP with the proper notice as set forth in the previous sentence, Client shall pay ADP for any fees for Services that would have been incurred by Client during such notice period (calculated based on an average of the prior six months of invoices for such terminated Services, or shorter period of time if there has been less than six months of invoices).

12.2 Termination for Cause. Either party may terminate this Agreement for the other's material breach of this Agreement if such breach is not cured within sixty (60) days following notice thereof or in the event either party is the subject of a Termination Event. In addition, ADP may terminate this Agreement in the event Client fails to timely pay fees for Services performed within ten (10) days following notice that such fees are past due. ADP may also terminate this Agreement or the Services immediately on written notice to Client if the provision of Service to Client causes or will cause ADP or its Affiliates to be in violation of any laws, rules or regulations applicable to it including any sanction laws applicable to ADP or any Affiliate.

12.3 Suspension. Without limiting the foregoing, the parties agree that Payment Services involve credit risk to ADP. Payment Services may be suspended by ADP (A) immediately if: (i) Client has failed to remit sufficient, good and available funds within the deadline and via the method of delivery agreed upon as it relates to the applicable Payment Services; or (ii) Client breaches any rules promulgated by NACHA as it relates to ADP conducting electronic payment transactions on behalf of Client; and (B) with 24 hour notice if: (i) a bank notifies ADP that it is no longer willing to originate debits from Client's account(s) or credits for Client's behalf for any reason or (ii) the authorization to debit Client's account is terminated or ADP reasonably believes that there is or has been fraudulent activity on the account. If the Payment Services are terminated or suspended pursuant to Sections 12.2 or 12.3, Client acknowledges that ADP shall be entitled to allocate any funds in ADP's possession that have been previously remitted or otherwise made available by Client to ADP relative to the Payment Services in such priorities as ADP may determine appropriate, including reimbursing ADP for payments made by ADP on Client's behalf to a third party. If the Payment Services are terminated by ADP, Client understands that it will (x) immediately become solely responsible for all of Client's third party payment obligations covered by the Payment Services then or thereafter due (including, without limitation, for ADP Employment Tax Services any and all penalties and interest accruing after the date of such termination, other than penalties and interest for which ADP is responsible under Section 7.3.7), and (y) reimburse ADP for all payments properly made by ADP on behalf of Client to any payee, which have not been paid or reimbursed by Client. If the Payment Services remain suspended for thirty (30) days, the Payment Services will be terminated on the 31st day following suspension.

12.4 Post Termination. At any time prior to the actual termination date, Client may download Client's information or reports available to it in conjunction with all of the Services provided to Client by ADP. Upon termination of this Agreement, Client may order from ADP any data extraction offered by ADP, at the then prevailing hourly time and materials rate.

13 Reserved.

14 Additional Terms. In addition to the terms set forth in any subsequent Annexes attached hereto, the following terms shall apply.

14.1 ESS & MSS Technology. Employee self-service (ESS) and Manager self-service (MSS) functionality provides all Client Users (practitioners, managers and employees) 24x7 online access to ADP Application Programs. The following additional terms apply to the ESS & MSS Technology:

14.1.1 Client acknowledges that Client's employees or participants may input information into the self-service portions of the ADP Application Programs. ADP shall have no responsibility to verify, nor does ADP review the accuracy or completeness of the information provided by Client's employees or participants to ADP using any self-service features. ADP shall be entitled to rely upon such information in the performance of the Services under this Agreement as if such information was provided to ADP by Client directly.

14.2 ADP Marketplace. ADP Marketplace enables Client to build applications and/or purchase available applications via an online store and provides access to certain Client data stored in ADP systems via industry-standard Application Programming Interfaces (APIs). The following additional terms apply to the ADP Marketplace (applies only if Client accesses ADP Marketplace Services):

14.2.1 Transmitting Information to Third Parties. In the event that Client elects to use an API to provide any Client Content or employee or plan participant information to any third party, Client represents that it has acquired any



consents or provided any notices required to transfer such content or information and that such transfer does not violate any applicable international, federal, state, or local laws and/or regulations. ADP shall not be responsible for any services or data provided by any such third party.

- 14.2.2 Use of the ADP APIs.** Client will use the ADP APIs to access Client's information only. Client may not use any robot, spider, or other automated process to scrape, crawl, or index the ADP Marketplace and will integrate Client's application with the ADP Marketplace only through documented APIs expressly made available by ADP. Client also agrees that Client will not (a) use the ADP Marketplace or any ADP API to transmit spam or other unsolicited email; (b) take any action that may impose an unreasonable or disproportionately large load on the ADP infrastructure, as determined by ADP; or (c) use the ADP APIs or the ADP Marketplace in any way that threatens the integrity, performance or reliability of the ADP Marketplace, Services or ADP infrastructure. ADP may limit the number of requests that Client can make to the ADP API gateway to protect ADP's system or to enforce reasonable limits on Client's use of the ADP APIs. Specific throttling limits may be imposed and modified from time to time by ADP.

15 Miscellaneous

- 15.1 Amendment.** This Agreement may not be modified, supplemented or amended, except by a writing signed by the authorized representatives of ADP and Client.
- 15.2 Assignment.** Neither this Agreement, nor any of the rights or obligations under this Agreement, may be assigned by any party without the prior written consent of the other party, such consent not to be unreasonably withheld. However, Client may assign any or all of its rights and obligations to any other Client Group member and ADP may assign any or all of its rights and obligations to any Affiliate of ADP, provided that any such assignment shall not release the assigning party from its obligations under this Agreement. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective successors and permitted assigns.
- 15.3 Additional Documentation.** In order for ADP to perform the Services, it may be necessary for Client to execute and deliver additional documents (including reporting agent authorization, client account agreement, limited powers of attorney, etc.) and Client agrees to execute and deliver such additional documents.
- 15.4 Subcontracting.** Notwithstanding Section 15.2, ADP reserves the right to subcontract any or all of the Services, provided that ADP remains fully responsible under this Agreement for the performance of any such subcontractor. For the avoidance of doubt, third parties used by ADP to provide delivery or courier services, including the postal service in any country or any third party courier service, and banking institutions, are not considered subcontractors of ADP.
- 15.5 Entire Agreement.** This Agreement constitutes the entire agreement and understanding between ADP and Client with respect to its subject matter and merges and supersedes all prior discussions, agreements and understandings of every kind and nature between the parties. No party will be bound by any representation, warranty, covenant, term or condition other than as expressly stated in this Agreement. Except where the parties expressly state otherwise in a relevant exhibit, annex, appendix or schedule, in case of conflict or inconsistency between this Annex A and any such exhibit, annex, appendix or schedule, this Annex A will prevail and control. Purchase orders or statements of work submitted to ADP by Client will be for Client's internal administrative purposes only and the terms and conditions contained in any purchase order or statements of work will have no force and effect and will not amend or modify this Agreement.
- 15.6 No Third Party Beneficiaries.** Except as expressly provided herein or in an applicable exhibit, annex, appendix or schedule, nothing in this Agreement creates, or will be deemed to create, third party beneficiaries of or under this Agreement. Client agrees that ADP's obligations in this Agreement are to Client only, and ADP has no obligation to any third party (including, without limitation, Client's personnel, directors, officers, employees, Users and any administrative authorities).
- 15.7 Force Majeure.** Any party to this Agreement will be excused from performance of its obligations under this Agreement, except for Client's obligation to pay the fees to ADP pursuant to Section 11, for any period of time that the party is prevented from performing its obligations under this Agreement due to an act of God, war, earthquake, civil disobedience, court order, labor disputes or disturbances, governmental regulations, communication or utility failures or other cause beyond the party's reasonable control. Such non-performance will not constitute grounds for breach.
- 15.8 Waiver.** The failure by any party to this Agreement to insist upon strict performance of any provision of this Agreement will not constitute a waiver of that provision. The waiver of any provision of this Agreement shall only be effective if made in writing signed by the authorized representatives of ADP and Client and shall not operate or be construed to waive any future omission or breach of, or compliance with, any other provision of this Agreement.
- 15.9 Headings.** The headings used in this Agreement are for reference only and do not define, limit, or otherwise affect the meaning of any provisions hereof.
- 15.10 Severability.** If any provision of this Agreement is finally determined to be invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality or enforceability of the remainder of this Agreement will not in any way be affected or impaired and such court shall have the authority to modify such invalid, illegal or unenforceable provision to the extent necessary to render such provision valid, legal or enforceable, preserving the intent of the parties to the furthest extent permissible.
- 15.11 Relationship of the Parties.** The performance by ADP of its duties and obligations under this Agreement will be that of an independent contractor and nothing contained in this Agreement will create, construe or imply an agency, joint venture, partnership or fiduciary relationship of any kind between ADP and Client. None of ADP's employees, agents or subcontractors will be considered employees, agents or subcontractors of Client. Unless expressly stated in this Agreement, none of ADP, its employees, agents or its subcontractors may enter into contracts on behalf of, bind, or otherwise obligate Client in any manner whatsoever.



- 15.12 Governing Law.** This Agreement is governed by the laws of the State of New York without giving effect to its conflict of law provisions.
- 15.13 Jurisdiction.** Any disputes that may arise between ADP and Client regarding the performance or interpretation of this Agreement shall be subject to the exclusive jurisdiction of the state and federal courts of New York, New York. The parties hereby irrevocably consent to the exclusive jurisdiction of the state and federal courts of New York, New York and waive any claim that any proceedings brought in such courts have been brought in an inconvenient forum. THE PARTIES HEREBY IRREVOCABLY WAIVE THEIR RIGHT TO TRIAL BY JURY.
- 15.14 Communications Regarding Offers.** In connection with the Services, with the exception of employees and/or participants outside of the United States, ADP may from time to time identify products and/or services that will benefit Client's employees and/or participants (collectively, "Offers"). In order to extend such Offers to Client's employees and/or participants, Client agrees that ADP may use Client's employee and participant contact information, including email addresses for such purpose. Upon thirty (30) days' prior written notice, Client may elect for ADP to cease sending future Offers to its employees and/or participants. In addition, each communication sent by ADP will comply with applicable laws and will enable the recipient to opt-out of receiving additional Offers from ADP.
- 15.15 Counterparts.** This Agreement may be signed in two or more counterparts by original, .pdf (or similar format for scanned copies of documents) or facsimile signature, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 15.16 Notices.** All notices required to be sent or given under this Agreement will be sent in writing and will be deemed duly given and effective (i) immediately if delivered in person, or (ii) upon confirmation of signature recording delivery, if sent via an internationally recognized overnight courier service with signature notification requested to Client at the address indicated on the signature page hereof and to ADP at 15 Waterview Boulevard, Parsippany, New Jersey 07054, Attention: Legal Department or to any other address a party may identify in writing from time to time. A copy (which shall not constitute notice) of all such notices shall be sent to ADP at One ADP Boulevard, MS 425, Roseland, New Jersey 07068, Attention: General Counsel and to Client at the address indicated on the cover page hereof.
- 15.17 Survival.** Those provisions which by their content are intended to, or by their nature would, survive the performance, termination, or expiration of this Agreement, shall survive termination or expiration of this Agreement.



- 1 **Payroll Services.** Administration and processing of payroll including performing gross-to-net calculations and generating and/or transmitting of payment instructions and also including the following:
 - 1.1 **ADP Employment Tax Services.** Coordination of payroll-related tax and/or regulatory agency deposits, filings, and reconciliations on behalf of employers.
 - 1.2 **ADP Wage Payment Services.** Payment of wages, commissions, consulting fees, or similar compensation or work-related expenses in the employment context to employees and independent contractors via direct deposit, check, or payroll debit cards, in each case to the extent the method of payment delivery is in scope, and online posting of pay statements to the extent applicable. Such services may be provided via ADPCheck Services, ADP Direct Deposit Services, and Payroll Card Services and Wisely Now Services (if Client purchases Payroll Card Services and/or Wisely Now Services, the additional terms set forth in Annex J shall apply to such services).
 - 1.3 **Print and Online Statement Services.** Print and distribution of payroll checks, pay statements, and/or year-end statements, as well as online posting of pay statements and/or year-end statements.
 - 1.4 **Wage Garnishment Payment Services.** Garnishment payment processing and disbursement of payments to appropriate payees as directed by client.

- 2 **ADP Wage Payment Services.** The following additional terms and conditions apply to the ADP Wage Payment Services:
 - 2.1 **Client Credentialing.** Client understands and acknowledges that the implementation and ongoing provision of Payment Services are conditioned upon Client passing (and continuing to pass) a credentialing process that ADP may deem necessary in connection with the provision of Payment Services.
 - 2.2 **Additional Requirements.** Payment Services may be subject to the rules and standards of any applicable clearing house, payment and/or card networks or associations. Client and ADP each agree to comply with all such rules and standards applicable to it with respect to the Payment Services.
 - 2.3 **Funding Obligations.** Client acknowledges that ADP is not a lender. As such, as a condition to receiving services, Client will remit or otherwise make available to ADP sufficient, good and available funds within the agreed-to deadline and via the agreed-to method of delivery to satisfy all of Client's third-party payment obligations covered by the Agreement. ADP will apply such funds to satisfy such third-party payment obligations. ADP will not be required to provide Payment Services if ADP has not received all funds required to satisfy Client's third-party payment obligations. Client will immediately notify ADP if it knows or should know that it will not have sufficient funds to satisfy the amounts required in connection with the Payment Services. If Client has a material adverse change in its condition, ADP may modify the funding method or deadline by which funds must be made available to ADP for payment to Payees. Client agrees to pay to ADP upon demand any amounts that have been paid by ADP to satisfy Client's third party payment obligations prior to receiving such amounts from Client.
 - 2.4 **Investment Proceeds; Commingling of Client Funds.** IF ADP RECEIVES CLIENT'S FUNDS IN ADVANCE OF THE TIME ADP IS REQUIRED TO PAY SUCH FUNDS TO THIRD PARTIES, ALL AMOUNTS EARNED ON SUCH FUNDS, IF ANY, WHILE HELD BY ADP WILL BE FOR THE SOLE ACCOUNT OF ADP. ADP may commingle Client's funds with similar funds from other clients and with similar ADP and ADP-administered funds. ADP utilizes a funds control system that maintains general ledger entries by client and/or by jurisdiction.
 - 2.5 **Recovery of Funds; Stop Payment Requests.** Client agrees to cooperate with ADP and any other third parties to recover funds erroneously issued or transferred to any Payee or credited to any Payee's account. If Client desires to stop payment on any check or to recall or reverse any electronic payment, Client will provide ADP with a stop payment request in the form required by ADP. Client acknowledges that ADP's placement of a stop order request is not a guarantee that such stop payment will occur.
 - 2.6 **ADPCheck Services.** Client agrees not to distribute any ADPChecks to Payees in a manner that would allow Payees to access the associated funds before pay date. If Client distributes any ADPChecks prior to the check date, ADP may impose an early check cashing fee against Client. With respect to ADPChecks drawn on an ADP bank account, to request a stop payment, Client shall provide ADP with a written stop payment order request in the form provided by ADP and ADP shall place a stop payment order in accordance with its standard operating procedures.
 - 2.7 **Full Service Direct Deposit (FSDD).** Prior to the first credit to the account of any employee or other individual under FSDD services, Client shall obtain and retain a signed authorization from such employee or individual authorizing the initiation of credits to such party's account and debits of such account to recover funds credited to such account in error.

- 3 **ADP Employment Tax Services.** The following additional terms and conditions apply to the ADP Employment Tax Services:
 - 3.1 **Important Tax Information (IRS Disclosure).** Notwithstanding Client's engagement of ADP to provide the ADP Employment Tax Services in the United States, please be aware that Client remains responsible for the timely filing of payroll tax returns and the timely payment of payroll taxes for its employees. The Internal Revenue Service recommends that employers enroll in the U.S. Treasury Department's Electronic Federal Tax Payment System (EFTPS) to monitor their accounts and ensure that timely tax payments are being made for them, and that online enrollment in EFTPS is available at www.eftps.gov; an enrollment form may also be obtained by calling (800) 555-4477; that state tax authorities generally offer similar means to verify tax payments; and that Client may contact appropriate state offices directly for details
 - 3.2 **State Unemployment Insurance Management.** Subject to Section 15.7 of Annex A, Client's compliance with its obligations in Sections 3.2.1 and 3.2.2 herein, and any delays caused by third parties (e.g., postal service, agency system and broker delays) and events beyond ADP's reasonable control, ADP will deliver the State Unemployment Insurance Management Services ("**SUI Management Services**") within the time periods established by the relevant unemployment compensation agencies.
 - 3.2.1 **Provision of Information; Contesting Claims.** Client will on an ongoing basis provide ADP and not prevent ADP from furnishing all information necessary for ADP to perform the SUI Management Services within the timeframes



established or specified by ADP. The foregoing information includes without limitation the claimants' names, relevant dates, wage and separation information, state-specific required information, and other documentation to support responses to unemployment compensation agencies.

- 3.2.2 **Transfer of Data.** Client may transfer the information described in Section 3.2.1 to ADP via: (i) on-line connection between ADP and Client's computer system, or (ii) inbound data transmissions from Client to ADP. Client will provide the data using mutually acceptable communications protocols and delivery methods. Client will promptly notify ADP in writing if Client wishes to modify the communication protocol or delivery method.
- 3.2.3 Client acknowledges that ADP is not providing storage or record keeping of Client records as part of the SUI Management Services, and that if the SUI Management Services are terminated, ADP may, in conformity with Section 4 of Annex A, dispose of all such records. If the SUI Management Services are terminated, any access Client has to ADP websites containing Client's data will expire and Client will be responsible for downloading and gathering all relevant data prior to expiration of any such access that may have been granted.

4 Employment Verification Services. If Client desires to receive and has not otherwise opted out, and ADP agrees to provide Employment Verification Services, then the following terms and conditions shall apply:

4.1 Definitions. Unless a capitalized term used herein is defined herein, it shall have the same meaning ascribed that term in the Agreement.

- 4.1.1 **"FCRA"** Fair Credit Reporting Act, 15 U.S.C. §1681 et seq.
- 4.1.2 **"Verification Agent"** has the meaning set forth in Section 4.2.1.1
- 4.1.3 **"Verification Data"** has the meaning set forth in Section 4.2.1.1.
- 4.1.4 **"Verifiers"** has the meaning set forth in Section 4.2.1.1.

4.2 Additional Terms. To the extent Client has not opted out of receipt of Employment Verification Services, the following additional terms and conditions shall apply:

4.2.1 Verification Services and Authorization as Agent.

4.2.1.1 ADP currently provides the Employment Verification Services through The Work Number®, an Equifax Workforce Solutions service though ADP reserves the right to provide them through another entity (each, a "Verification Agent"). Notwithstanding anything to the contrary in Section 4.1 of Annex A, Client authorizes ADP and its Verification Agents to disclose, on Client's behalf, employment information (including employees' place of employment and employment status) and income information (including total wages per year to date and previous year income) of Client and Client's employees (or former employees) (collectively, "Verification Data"), to commercial, private, non-profit and governmental entities and their agents (collectively, "Verifiers"), who wish to obtain or verify any of Client's employees' (or former employees') Verification Data. Verification Data will be disclosed to Verifiers who certify they are entitled to receive such data (as described below) pursuant to the FCRA, and, in the case of income information requests, who additionally certify they have a record of the employee's consent to such disclosure or who utilize a salary key. In accordance with FCRA, Verification Data may be provided to Verifiers where (i) the employee has applied for a benefit (such as credit, other employment or social services assistance); (ii) the employee has obtained a benefit and the Verifier is seeking to (a) determine whether the employee is qualified to continue to receive the benefit; and/or (b) collect a debt or enforce other obligations undertaken by the employee in connection with the benefit; or (iii) the Verifier is otherwise entitled under FCRA to obtain the Verification Data. In certifying they have a record of the employee's consent, Verifiers generally rely on the employee's signature on the original application as authorization for the Verifier to access the employee's income data at the time of the application and throughout the life of the obligation. Client understands that Verifiers are charged for commercial verifications processed through ADP or its Verification Agents.

4.2.1.2 **Data Quality.** If requested by ADP, Client agrees to work with ADP during implementation to produce a test file and validate the Verification Data included in the Verification Services database using validation reports made available by ADP or its Verification Agents. If Client uses ADP's hosted payroll processing services, ADP will update the Verification Services database with the applicable Verification Data available on ADP's payroll processing system.

4.2.1.3 **Notice to Furnishers of Information: Obligations of Furnishers of Information ("Notice to Furnishers").** Client certifies that it has read the Notice to Furnishers provided to Client at the following URL: <https://www.consumer.ftc.gov/articles/pdf-0092-notice-to-furnishers.pdf>. Client understands its obligations as a data furnisher set forth in such notice and under FCRA which include duties regarding data accuracy and investigation of disputes, and certifies it will comply with all such obligations. Client further understands that if it does not comply with such obligations, ADP may correct incorrect Verification Data on behalf of Client or terminate the Employment Verification Services upon 90 days prior written notice to Client.

4.2.1.4 **Archival Copies.** Notwithstanding anything to the contrary in Annex A, Client agrees that, after the termination of this Agreement, ADP and its Verification Agents may maintain archival copies of the Verification Data as needed to show the discharge and fulfillment of obligations to Client's employees and former employees and the provisions of Section 4.1 of Annex A will continue to apply during the time that ADP and its Verification Agents maintain any such archival copies.

4.2.1.5 **Additional Termination Provisions for Employment Verification Services.** ADP may, in its sole discretion, terminate the Employment Verification Services at any time upon 90 days prior written notice to Client should a Verification Agent notify ADP that it is no longer willing to provide the Employment Verification Services and ADP, after taking commercially reasonable steps, cannot engage a successor Verification Agent.



- 1 **ADP Time & Attendance Services.** ADP will provide Client with those time & attendance services delivered via ADP Workforce Now including ADP Workforce Now Essential Time or ADP Workforce Now Enhanced Time ("ADP Time & Attendance Services"). For the hosted the ADP Workforce Now Enhanced Time product only, additional license terms are available at www.adp.com/timicenses/terms. ADP Workforce Now Enhanced Time and ADP Workforce Now Essential Time products are available for use in a limited number of countries outside the United States, although certain restrictions and requirements may apply.
- 2 **Time & Attendance Hardware.** If ADP agrees to provide Client with the data collection devices (e.g. Timeclock, HandPunch, etc.) (the "Time & Attendance Hardware") as described in the Sales Order, the following terms will apply:
 - 2.1 If Client procures Time & Attendance Hardware, Client shall provide and maintain an installation environment (including all power, wiring and cabling required for installation) as specified in the manufacturer's product documentation and other written instructions provided to Client by ADP.
 - 2.2 Regarding Time & Attendance Hardware provided on a subscription basis only, Client shall not make any alterations or attach any devices thereto that are not provided by ADP, nor shall Client remove same from the place of original installation without ADP's prior consent. All right and title in the Time & Attendance Hardware procured on a subscription basis is, and at all times shall remain, that of ADP and a separate item of personal property of ADP, notwithstanding its attachment to other items or real property, and promptly upon termination of the ADP Time & Attendance Services, for any reason whatsoever, Client shall, at its expense, return such Time & Attendance Hardware in good condition, in accordance with ADP's instructions, normal wear and tear excepted. If such Time & Attendance Hardware is not promptly returned, Client agrees to purchase same at fair market value. Repairs and replacements required as a result of any of the following shall not be included in any maintenance services and shall be charged at ADP's then current rates: (i) damage, defects, or malfunctions resulting from misuse, accident, neglect, tampering, unusual physical, or electrical stress, or causes other than normal or intended use; (ii) failure of Client to provide and maintain a suitable installation environment; (iii) any alterations made to or any devices not provided by ADP attached to the Time & Attendance Hardware; and (iv) malfunctions resulting from use of badges or supplies not approved by ADP.
 - 2.3 **Maintenance Fees.** Maintenance services for the Time & Attendance Hardware apply automatically to Time & Attendance Hardware obtained under the subscription option (and any charges therefore are already included in the monthly time and attendance subscription fees). The costs for maintenance services for Time & Attendance Hardware under the purchase option are not included in the purchase price for such equipment; a separate annual maintenance fee applies. Client, under the purchase option, may terminate its receipt of maintenance services by providing written notice to ADP no less than thirty (30) days prior to the end of the then current annual coverage period. ADP is not required to rebate to Client any maintenance fees relating to a current or prior coverage period. (NOTE: If Client selects the purchase option but opts not to receive (or terminates) maintenance services hereunder by executing a waiver of maintenance services, any such services provided by ADP at Client's request will be subject to ADP's then current charges for such services.) No Time & Attendance Hardware maintenance is done at the Client site. Client shall bear all delivery/shipping costs and all risk of loss during shipment/delivery of Time & Attendance Hardware relating to maintenance services.
 - 2.4 **Maintenance Services.** ADP will maintain the Timeclock Equipment to be free from defects in material and workmanship as follows: Any parts found to be defective (except as specifically excluded below) shall be replaced or repaired, at ADP's or its designee's option, without charge for parts or labor, provided that the Time & Attendance Hardware has been properly installed and maintained by Client and provided that such equipment has been used in accordance with this Agreement or other accompanying documentation including, but not limited to, Client's Sales Order provided by ADP or its designee and has not been subject to abuse or tampering.
 - 2.5 **Biometrics.**
 - 2.5.1 **Definitions.**
 - 2.5.1.1 "Biometric Data" includes the information collected by timeclocks and software that use finger and/or hand scan technology, which potentially may include Biometric Identifiers and Biometric Information.
 - 2.5.1.2 "Biometric Identifier" means a retina or iris scan, fingerprint, voiceprint, or scan of hand or face geometry.
 - 2.5.1.3 "Biometric Information" means any information, regardless of how it is captured, converted, stored, or shared, based on an individual's biometric identifier used to identify an individual.
 - 2.5.1.4 "Biometric Services" means services provided by ADP to Client via the use of timeclocks and software in connection with ADP's provision of Time & Attendance Services, to the extent such timeclocks or software collect, store or use Biometric Data.
"Biometric User" means Client's employees or independent contractors who are requested or required by Client to use Biometric Services to record their attendance, hours worked or other work-related data.
 - 2.5.2 **Additional Terms.** Biometric Services are optional. In certain jurisdictions, there are laws and regulations that govern the collection, use, and retention of biometric information, which potentially may apply to Client's use of Biometric Services. To the extent Client elects to use Biometric Services, Client agrees to comply with all such laws and regulations in accordance with this Agreement and Section 3.2 of the Annex A. In the event Client is unwilling to comply with laws and regulations relating to Biometric Services, Client will be able to continue to use Time & Attendance Services without Biometric Services. The following terms and conditions apply to Biometric Services to the extent Biometric Services are part of the scope of Services.
 - 2.5.2.1 **Requirements for Receipt of Biometric Services.** Before any Client or Biometric User is permitted to use any Biometric Services in a jurisdiction where laws and regulations potentially govern such use, Client will comply with the following requirements, in addition to any other requirements imposed by potentially applicable law (to the extent there is a conflict between the requirements below and the requirements of potentially applicable law, Client will comply with potentially applicable law):



- 2.5.2.2 **Client Biometric Information Policy.** Client will implement, distribute and make available to the public, a written policy establishing Client's policy with respect to the use of Biometric Data. Such policy will include:
 - 2.5.2.2.1 a retention schedule and guidelines for permanently destroying Biometric Identifiers and Biometric Information;
 - 2.5.2.2.2 a commitment to destroy Biometric Data when the initial purpose for collecting or obtaining such identifiers or information has been satisfied or within 3 years of the individual's last interaction with Client, whichever occurs first; and any additional requirements as required by applicable law.
- 2.5.2.3 **Biometric User Notice and Consent.** Client will provide notice and procure and retain appropriate consents or releases from Biometric Users in the manner and to extent the same are required by applicable law, including:
 - 2.5.2.3.1 notifying Biometric Users in writing that Client, its vendors, and/or the licensor of Client's time and attendance software are collecting, capturing, or otherwise obtaining Biometric Users' Biometric Data, and that Client is providing such Biometric Data to its vendors and the licensor of Client's time and attendance software; such notice will specify the purpose and length of time for which Biometric User's Biometric Data is being collected, stored, and used;
 - 2.5.2.3.2 obtaining a written release or consent from Biometric Users (or their legally authorized representative) authorizing Client, its vendors, and licensor of Client's time and attendance software to collect, store, and use the individual's Biometric Data for the specific purpose disclosed by Client, and authorizing Client to provide such Biometric Data to its vendors and the licensor of Client's time and attendance software; and if requested by ADP, providing to ADP copies of the required consents or releases collected and retained by Client, and/or certifying to ADP that such consents or releases have been obtained.
- 2.5.2.4 **Retention and Purging of Biometric Data.** Client will work with ADP to ensure that Biometric Data is retained and purged in accordance with applicable law. To the extent necessary for the purging or deletion of such Biometric Data, Client agrees to provide timely notification to ADP of the termination of the employment, or the satisfaction of the purpose for which Biometric Data was collected with respect to any given Biometric User. ADP is not responsible for Client's failure to provide timely notification of the termination of the employment, or the satisfaction of the purpose for which Biometric Data was collected with respect to any given Biometric User.
- 2.5.2.5 **Storage of Biometric Data in Timeclocks.** Client agrees that it shall use a reasonable standard of care consistent with potentially applicable law to store, transmit and protect from disclosure any paper or electronic biometric data collected in timeclocks. Such storage, transmission, and protection from disclosure shall be performed in a manner that is the same as or more protective than the manner in which Client stores, transmits and protects from disclosure other confidential and sensitive information, including personal information that can be used to uniquely identify an individual or an individual's account or property, such as genetic markers, genetic testing information, account numbers, PINs, driver's license numbers and social security numbers.
- 2.5.3 **Third Party Beneficiary.** Notwithstanding anything to the contrary in the Agreement, Client agrees that ADP and licensor of any applicable Biometric Services (and their respective successors and assigns) are third party beneficiaries of this Agreement solely as it relates to Biometric Services.
- 2.5.4 **Additional Termination Provisions for Biometric Services.** If ADP determines that Client has failed to comply with any potentially applicable laws and regulations applicable to the Biometric Services, ADP may, in its sole discretion and upon notice to Client, immediately suspend or terminate the Biometric Services.



- 1 **ADP HCM Services.** Only those Services that have been purchased by Client (as listed on a Sales Order) will be applicable.
 - 1.1 **ADP Document Cloud.** Integrated solution to support maintenance and retrieval of employee-specific documents via cloud-based technology.
 - 1.2 **Benefit Services.** Benefit-related services made up of the following:
 - 1.2.1. **Health and Benefits Services.** Technology to facilitate the administration of employee benefits, including applying eligibility rules, facilitating online enrollment and changes and calculating payroll deductions within a unified system, as well as providing data to carriers through ADP carrier connection services.
 - 1.3 **Business Intelligence (which shall include Enhanced Insights and Analytics as listed on the Sale Order).** Provide tools to analyze and understand data.
 - 1.3.1. **Analytics.** Enables an employer to gain insight from data for key Human Capital Management (HCM) metrics.
 - 1.4 **Global Data Storage.** Ability to house global employee HR data (personal, employment, and job data) within HR system of record.
 - 1.5 **Human Resources Administration Services.** Administration of human resource functions using a unified system to process and audit employee lifecycle events, provide compliance tracking and reporting, including new hire reporting, and automate notification and approval processes via self-service/direct access, and also including:
 - 1.6 **Talent Acquisition Solutions.** Talent acquisition solutions (which shall include Talent Management and Activation as listed on the Sales Order) made up of the following:
 - 1.6.1. **ADP Recruitment Management Services (which shall include Recruitment and Talent Acquisition as listed on the Sales Order).** Talent recruitment management technology, including talent acquisition and on-boarding for exempt and non-exempt workforce.
 - 1.7 **Talent Management Solutions.** Technology to facilitate the administration of talent management services, including:
 - 1.7.1 **Performance Management.** Solutions and tools to facilitate the performance management process, including goal alignment, and employee engagement.
 - 1.7.2 **Compensation Management.** Solutions and tools to administer the compensation planning process.
- 2 **ADP Recruitment Management Services.** The following additional terms and conditions apply to the ADP Recruitment Management Services (applies only if Client has purchased ADP Recruitment Management Services):
 - 2.1 **Hiring Practices.** Client shall be exclusively responsible for all hiring practices, including, but not limited to, complying with all employment laws, including, if applicable, the monitoring, analysis and reporting of any adverse impact that may result from any specification or criteria that Client uses to rank candidates in the ADP Recruitment Management Services Application Programs.
 - 2.2 **Vendors.** Client shall be exclusively responsible all access and use of the ADP Recruitment Management Services by its vendors and such vendors' compliance with the terms of this Agreement.
- 3 **Benefit Services.** The following additional terms and conditions apply to the Benefit Services (applies only if Client has purchased Benefits Services):
 - 3.1 **Carrier Connections.** ADP will, at Client's request, and for an additional charges as set-out in the applicable Sales Order, provide Client with the following Carrier Connections services:
 - 3.1.1 ADP and Client's carrier or other third parties authorized by Client will electronically exchange data, including plan design, plan provisions and eligibility rules transmitted by ADP to carrier on Client's behalf and Client authorizes ADP and such carriers and third parties to exchange such information. Commencement of carrier connection service is subject to Client completing the configuration setup of Client Content and the format for such transmission to the designated carriers.
 - 3.1.2 ADP's ability to transmit Client Content data is subject to the provision by Client's designated carriers of a current functional interface between ADP's systems and the designated carriers' systems. ADP will not be obligated to transmit Client's data to designated carriers if at any time Client's designated carriers fail to provide the proper interface as described above. Client is responsible for promptly reviewing all records of carrier transmissions and other reports prepared by ADP for validity and accuracy according to Client's records, and Client will notify ADP of any discrepancies promptly after receipt thereof. In the event of an error or omission in carrier connection services caused by ADP, ADP will correct such error or omission, provided that Client promptly advises ADP of such error or omission.
4. **Human Resource Administration Services and Talent Management Services.** The following additional terms and conditions apply to the Human Resource Administration Services and/or Talent Management Services (applies only if Client has purchased Human Resource Administration Services and/or Talent Management Services):
 - 4.1. **Residents Outside the United States.** To the extent that Client uses the Human Resource Administration Services and/or the Talent Management Services to collect Personal Information about individuals resident outside the United States, Client represents and warrants: (i) the processing of that Personal Information, including the transfer itself, has been and will continue to be carried out in accordance with the relevant provisions of the applicable data protection and privacy laws; (ii) its instructions to ADP regarding the processing to be performed shall be in accordance with the applicable data protection laws; (iii) it has given the data subjects appropriate notices, and obtained any required consents; (iv) if it implements the Human Resources Administration Services and/or the Talent Management Services to collect any sensitive data elements (or special categories of data), Client shall comply with any additional requirements for the processing of these data elements; and (v) it shall be responsible for respecting all individual rights of access, correction or deletion and for responding to any individual or regulatory inquiries relating to such Personal Information.



5. **Essential ACA Services.** ADP will provide the Essential ACA solution specified in the Sales Order (and any applicable service specification) (collectively, the "Essential ACA") to Client in accordance with the terms of this Agreement. The following terms apply if Client receives Essential ACA with Benefits Services.
 - 5.1. **Essential ACA a technology and software solution** to assist Client in managing compliance needs related to the Affordable Care Act (ACA), including eligibility calculations and affordability determinations, preparation and electronic filing of Forms 1094-C and 1095-C forms, access to evidence of benefit offering information and benefit offering audit reports. Client must use ADP Workforce Now payroll, HR and benefits services in order to purchase and implement Essential ACA. For the avoidance of doubt, all Forms filed by ADP with the IRS on behalf of Client will be filed electronically; any Forms sent to Client for its employees by ADP shall be sent in paper form, and, if Client has ADP's iPay functionality, ADP will also make Forms accessible to Client employees electronically. It will then be Client's responsibility to distribute the Forms directly to its employees.
 - 5.2. **Client ACA Liaison.** Client shall designate in writing to ADP the name of one person who shall serve as ADP's principal designated contact for Essential ACA (the "Client ACA Liaison"), and such Client ACA Liaison shall have the authority to (i) provide information, instructions and direction on behalf of Client, and (ii) grant or provide approvals (other than Amendments) required or permitted under the Agreement in connection with Essential ACA. Client shall designate an alternate Client ACA Liaison in the event the principal Client ACA Liaison is not available.
 - 5.3. **Disclaimer.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN THE SCOPE OF SERVICES, CLIENT EXPRESSLY ACKNOWLEDGES THAT ADP IS NOT THE "ADMINISTRATOR" OR "PLAN ADMINISTRATOR" AS DEFINED IN SECTION 3(16)(A) OF ERISA AND SECTION 414(g) OF THE CODE, RESPECTIVELY, NOR IS ADP A "FIDUCIARY" WITHIN THE MEANING OF ERISA SECTION 3(21). ADP SHALL NOT EXERCISE ANY DISCRETIONARY AUTHORITY OR DISCRETIONARY CONTROL RESPECTING MANAGEMENT OF ANY BENEFIT PLANS SPONSORED OR OFFERED BY CLIENT. ADP HAS NO DISCRETIONARY AUTHORITY OR DISCRETIONARY RESPONSIBILITY IN THE ADMINISTRATION OF THE CLIENT'S BENEFIT PLAN(S). ADP EXPRESSLY DISCLAIMS ANY WARRANTY, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, NON-INTERRUPTION OF USE, AND FREEDOM FROM PROGRAM ERRORS WITH RESPECT TO ESSENTIAL ACA, THE ADP APPLICATION PROGRAMS OR ANY THIRD-PARTY SOFTWARE DELIVERED BY ADP.
 - 5.4. **Client Vendors.** Client will at its own cost make all necessary arrangements with its third party vendors to cause such vendors to send data to and receive data from ADP as required for ADP to provide Essential ACA. Client shall reimburse ADP for any costs ADP is required to bear in connection with or arising out of any such transmissions of data from and/or to such third party vendors.
6. **Onboarding Services (including ADP Workforce Now EI-9 Services).** The following additional terms and conditions apply to the ADP Workforce Now EI-9 Services ("WFN EI-9 Services") that are part of ADP Workforce Now Onboarding Services.
 - 6.1. **Use of Services.** In order to receive the WFN EI-9 Services, Client shall, and shall cause the members of the Client Group, to do the following:
 - 6.1.1. Review the U.S. Citizenship and Immigration Services ("USCIS") Form I-9, which is the employment eligibility verification form issued by the U.S. Department of Homeland Security (the "DHS"), including instructions in the form and the guidelines in the current USCIS Handbook for Employers: Instructions for Completing Form I-9 (M-274) (the "I-9 Handbook"), each of which is available on the USCIS website, currently located at <http://www.uscis.gov/i-9central>. Client certifies that it has reviewed the current USCIS Form I-9 and the I-9 Handbook and that it agrees to comply with the applicable policy and procedures set forth therein, and any future new or amended policies or procedures, as required by law. Client will ensure availability of the most recent version of the USCIS Form I-9 and the I-9 Handbook to all employees authorized to complete the USCIS Form I-9 on behalf of Client and/or its Affiliates.
 - 6.1.2. Client is responsible for reviewing reports available to Client on the WFN EI-9 Services and for resolving (or causing the applicable employee to take action to resolve) missing or incomplete Forms I-9. This includes communicating with the employee in question and the submission or resubmission of the missing or incomplete Form I-9.
 - 6.1.3. ADP executed a Memorandum of Understanding with the UDHS as the E-Verify employer agent. E-Verify is the DHS's employment eligibility verification program which allows participating employers to electronically verify the employment eligibility of each newly hired employee and/or employee assigned to a covered federal contract. The following is required as it relates to the use of E-Verify through ADP and will apply only to the extent Client is using E-Verify through ADP:
 - 6.1.3.1. Notify ADP of (i) the location(s) where Client elects to enroll; and (ii) whether the employer is a federal contractor or a federal, state or local government organization.
 - 6.1.3.2. Execute a Memorandum of Understanding with the DHS and ADP (as its E-Verify employer agent), and comply with the terms and conditions set forth therein.
 - 6.1.3.3. Review and comply with the policy and procedures contained in the E-Verify User Manual for Employers, and any superseding policy and procedures, available to Client on the WFN EI-9 Service.
 - 6.1.3.4. To the extent the Client elects to have more than one company location participate in E-Verify, ensure all authorized users in each location have complied with all requirements of Section 6.1.2.
 - 6.1.3.5. Ensure all of Client's authorized users (i) complete the mandated E-Verify training course and any applicable update courses administered by ADP and (ii) pass a knowledge test with the required score.
 - 6.1.3.6. Immediately notify ADP of any updates/changes to its E-Verify employer status (e.g., Client becomes a federal contractor or Client ceases being a federal contractor).
 - 6.2. **Form I-9 Retention.** During the term of the Agreement, ADP will store electronic copies of Forms I-9 in the WFN EI-9 Services for a minimum of three years from the employee's hire date or until one year after the employee ceases to be employed by Client (or the applicable Affiliate), whichever is later (or as otherwise required by changes to federal regulations that come into effect hereafter). Upon termination or expiration of the Agreement, ADP shall use commercially reasonable



methods to transfer all electronically stored Forms I-9 to Client in accordance with ADP's current security policies. Upon termination of the WFN EI-9 Services, Client shall be solely responsible for storage of copies of Forms I-9.



A. The ADP Workforce Now® Hackett Best Practice Program (the "Program") provides Client with access to best practices, performance metrics, research, webcasts and forums as well as direct access to HCM professionals.

The additional terms and conditions set forth herein apply to the Program and Client agrees to such terms. Notwithstanding the terms of Annex A, Section 15.6 (No Third Party Beneficiaries) to the contrary, The Hackett Group, Inc. ("Hackett") is a third party beneficiary to the terms set forth herein

The content of the Program, which can be accessed on-line through the Hackett Member Center, is as follows:

| | ADP Workforce Now® Hackett Best Practice Program | ADP Workforce Now |
|-----------------------------------|---|---|
| Best Practice Accelerators | <ul style="list-style-type: none"> ▪ Access to Hackett Best Practice Accelerators <ul style="list-style-type: none"> - Hackett HCM Benchmark Tool - ADP Workforce Now HCM Best Practice Playbook - ADP Workforce Now HCM Best Practice Process Flows | <ul style="list-style-type: none"> √ √ √ |
| Best Practice Research | <ul style="list-style-type: none"> ▪ Online Seats to the Hackett Member Center Portal ▪ Process Taxonomy, Best Practices, Metrics, Conference Presentations, Research Repository, Webcast Archive | 10 seats √ |
| | <ul style="list-style-type: none"> ▪ Unlimited participation in Performance Studies ▪ Customized reports and readouts from Performance Studies | √ √ |
| Measurement | <ul style="list-style-type: none"> ▪ Named individuals for on-demand Benchmark Tool Update Readout/Discussion ▪ 2 annual virtual meetings | 2 virtual meetings / year |
| Advisor Access | <ul style="list-style-type: none"> ▪ Quarterly Workforce Now Member Interactive Webcast | √ |

ADP Workforce Now Hackett Best Practice Accelerators

| | Accelerator | Description |
|---|------------------------------|--|
| 1 | Hackett HCM Benchmark Tool | The Hackett HCM Benchmarking tool provides a prospect and client a way of understanding how their HCM organization compares to Peer and World class companies and identifies areas of opportunity. |
| 2 | Best Practice Playbook Guide | The Best Practice Playbook guide is used to provide Client and implementation teams with an understanding of how each best practice is enabled within ADP Workforce Now HCM and if not, recommendations to achieve desired outcomes. |

Best Practice Research

Hackett research provides objective, empirically-based analysis and insight into the performance metrics and best practices of world-class companies. Research is delivered through a continuously-updated research archive accessed during the Program period via an online Member Center. Clients have access to a searchable online portal, which includes:

- Research: an up-to-the-minute library of unbiased research reports based on Hackett data
- ADP Workforce Now HCM Best Practice Intelligence Center:
- A comprehensive repository of Hackett intellectual property, offering best practices based on our study of world-class organizations. The only source of empirically proven best practices for enterprise G&A performance, ADP Workforce Now HCM Best Practice Intelligence Center Best Practices Intelligence Center helps executives reduce risk, speed time-to-benefit, and enhance return on investment for enterprise-wide transformation initiatives.
- One-click access to best practices, quick wins, process taxonomy, performance metrics, research and events associated with the Program
- Implementation considerations for best practices provide associated risk and mitigation strategies



Measurement

Clients may access the following measurement tools:

Hackett HCM Benchmark Tool: Two complementary surveys on key areas of interest to the HR and senior level organizational leadership. Client can benchmark its responses to and receive a customized presentation of the findings that guide best practices for HR organizational improvement. Surveys can be administered with prospects as well as repeatedly with clients to identify updated progress and areas of priority.

Performance Studies: A rolling series of topical surveys on key areas of interest to the global business services management & HR communities. Client can benchmark its responses and receive a customized presentation of the findings. Past studies have addressed issues relating to Talent Management, Global Business Services, Global payroll, Talent Development and HR Globalization among others.

Peer Events

Clients may participate in Virtual Member Events. These events feature both advisor-led presentations showcasing an adoption-specific best practice or technique, as well as member-led discussions highlighting practices implemented in real-world settings. These sessions encourage peer interaction through learning about the successes and challenges of similar executives leading significant change initiatives. (Unlimited Attendance)

Term

The Program period runs concurrently with the term of this Agreement and Program membership may be terminated upon 90 days' notice from Client to Hackett and ADP.

Ownership of Intellectual Property and Restrictions on Use ("Terms of Use")

Client and Hackett agree as follows: All materials published on Hackett's website or accessed through your client portal, including through the Hackett Member Center (the "Hackett Site"), including, but not limited to, statistics, metrics, information relating to best practices, research, question sets, taxonomy, templates, text, photographs, illustrations, audio clips, video clips, artwork, graphic material, or other copyrightable elements, the selection and arrangements thereof, and trademarks, service marks, trade names and any other intellectual property related to Hackett (collectively, the "Content") is the property of Hackett and is protected, without limitation, pursuant to U.S. and foreign copyright and trademark laws. Use of the trademarks displayed on the Site is strictly prohibited. Client may download material displayed on the Site to any single computer for Client's internal use only during the period that it is an ADP Workforce Now Best Practice Advisory client, provided that it does not remove any trademarks, copyright or any other notice contained in such Content. No Content from the Hackett Site may be copied, publicly displayed, reproduced, uploaded, downloaded, transmitted or otherwise used other than as set forth in these Terms of Use. Client shall not archive or retain any Content in any form without written permission from Hackett. At the expiration or termination of Client's Program membership it must destroy all copies of the Content in its possession. Client may be asked to certify such destruction in writing. Client may not distribute (including via e-mail or the Internet), or otherwise make available, copies to others, whether or not for payment or other consideration, without the written permission from Hackett. Any unauthorized or prohibited use may subject the offender to civil liability and criminal prosecution under applicable federal and state laws. Hackett reserves the right to terminate Client's access to the Member Center at any time if it appears that the Client's usage is inconsistent with the terms of this letter agreement. If we become involved in a dispute over the Program or services rendered by Hackett, Client cannot seek to collect any amount more than the fees it pays to Hackett for Program described in this letter agreement. These provisions will survive after the services described herein are rendered or Client's participation in the Program and this agreement expires or is terminated.



ADP shall provide to Client certain professional services as indicated on the Sales Order and/or statement of work (the "Professional Services"). As a condition to receiving the Professional Services, Client will be subject to the additional terms and conditions of this Annex X.

- 1 **ADP Resources.** ADP shall select resources including subcontractors that, in ADP's reasonable business judgment, are qualified to perform the Professional Services, and in the case of subcontractors have entered into an appropriate written agreement with ADP (each an "ADP Resource"). The ADP Resources are and shall be, notwithstanding anything to the contrary contained herein, ADP's employees or contractors, and shall not for any purpose be considered Client's employees. ADP or its subcontractor shall be solely responsible for the payment of the salaries of such ADP resources and all matters relating thereto (including the withholding and/or payment of all federal, state and local income and other payroll taxes), worker's compensation, disability benefits, medical and other insurance-related benefits and all such additional legal requirements applicable to employees of ADP or such subcontractor.
- 2 **Fees and Expenses.** Client shall pay ADP for the Professional Services at the rates specified in the Sales Order or statement of work as applicable.
- 3 **Billing:** ADP shall invoice Client for all Professional Services fees upon the completion of the Professional Services, unless such Professional Services will be provided over a time period which exceeds thirty (30) days, in which case ADP reserves the right to invoice Client on a monthly basis for such Services rendered. ADP shall invoice Client in the same manner for any associated expenses incurred by ADP Resources.
- 4 **Limitations of Liability.** The provisions of this paragraph supplement the limitation of liability provisions contained in Section 6 of Annex A and shall govern with respect to the Professional Services. **Notwithstanding anything to the contrary herein, ADP's sole liability to Client hereunder for monetary damages shall not exceed the aggregate amount of fees paid to ADP hereunder for the Professional Services.**
- 5 **Completion of Professional Services.** Upon completion of the Professional Services, Client will immediately notify ADP if the Professional Services and deliverables outlined in the Sales Order have not been satisfactorily delivered. The Professional Services will be deemed accepted by Client if no response has been received within five (5) days of the date of completion of the Professional Services.
- 6 **Additional Termination Provisions.** The provisions of this paragraph supplement the termination provisions contained in Section 12 of Annex A and shall govern with respect to the Professional Services. Either party can terminate Professional Services at any time for any reason by providing at least ten (10) days' advance written notification to the other party. Upon termination of the Professional Services by either party for any reason, all fees and expenses for the Professional Services incurred by Client prior to the termination date shall become immediately due and payable.



Professional Services: ADP Advantage Program Statement of Work for History Conversion

PART I: All Fields Required – Client Must Select History Conversions Required

Client is entitled to receive all History Conversion offerings listed below as part of the ADP Advantage Program. Client will only receive the services checked by Client below in the section below.

| | | | |
|--|--|-------------------------------------|-----------|
| ADP Workforce Now Professional Services Agreement (the "Agreement") | | | |
| Client Company Name: | | Client Region/ Parent Company Code: | |
| Client Contact Name: | | Client Contact Title: | |
| Client Address: | | | |
| City: | | State: | Zip Code: |
| Corporate address (if different from above) | | | |
| City: | | State: | Zip Code: |
| Industry: | | Number of Employees: | |
| Start Date with ADP: | | Service Proposal Date: | |

| | |
|---|--|
| Professional Service: | Conversion of Historical Data: Check History, Pay Rate History and Position History |
| Brief description of project/Services Elected | <input type="checkbox"/> Check History for ease of record look-up by the Practitioner converted into <u>Workforce Now</u> * <input type="checkbox"/> Pay Rate History for ease of record look-up by the Practitioner converted into <u>Workforce Now</u> * <input type="checkbox"/> Position History for ease of record look-up by the Practitioner converted into <u>History Viewer</u> * *For up to 7 calendar years of historical data, from one vendor source, for less than 1000 active employees in ADP Workforce Now and up to 5000 employees from source conversion. |

| |
|--|
| <p>Description of Services</p> <p>For All History Conversions part of this Statement of Work:</p> <ul style="list-style-type: none"> Client will not significantly alter the scope of work beyond that which is proposed in the Statement of Work. Client Company has sufficient resources for the Project as detailed in the following statement of work. Client will provide access to prior vendor data in order to perform an extraction of data. Access may include either extraction of data related to check history or via .PDF reports, i.e. registers. Specific instructions will be provided based on prior vendor. Client will perform an audit of converted data and review with their client team. Client will provide access to WFN site to allow for the import of the converted check history data files into ADP WFN solution. Client will have all employees to be converted loaded into Workforce Now (to include prior year terminated employees) <p>Check History:</p> <ul style="list-style-type: none"> Employee Check history data will be extracted from prior vendor system Check history data will be audited and balanced check by check Check history data files will be formatted specifically for ADP Workforce Now solution Check history data files will be created and imported into ADP Workforce Now solution for Practitioner level Access. <p><u>Check History Data Includes:</u> Net/Gross Salary, Taxes, Deductions, Hours, Hours & Earnings Codes</p> <p>Specific to Check History:</p> <ul style="list-style-type: none"> Client will complete and validate the data mapping and is responsible for final review of data during mapping process. |
|--|

Pay Rate History:

- Employee Pay Rate data will be extracted from prior vendor system
- Total of Rates will be provided from source for client to validate
- Employee Pay Rate data files will be formatted specifically for ADP Workforce Now solution.
- Employee Pay Rate Data files will be created and imported into ADP Workforce Now solution for Practitioner level Access.

Pay Rate Data Includes: Position ID, Change Effective On, Compensation change Reason, Rate Type, Rate 1 Amount, Standard Hours, pay Frequency Code, Rate 2 Amount, Rate Currency, Annual Salary

Position History:

- Employee Position History data will be extracted from prior vendor system
- Total number of records from source will be provided to client for validation
- Position History data will be loaded to History Viewer, provided by Resource Navigation Solutions, a standalone system which allows clients to retain history from their legacy systems.
- History Viewer URL access will be provided to Client Practitioner for login with password

Position History Data Includes: Job Title, Department, Business Unit, Location, Assigned Shift, Full time Employee, Pay Grade, Job Class, Salary Structure, Allocation, Union, FLSA, Workers Compensation, Scheduled Hours, Hours period, EEO Job Class, Cost Number, Management Position, Reports to Position ID

Position History Includes - Automated Export Services for joint reporting:

- Resource Navigation will create the standard report for specified Practitioner; ADP Integration Services will setup the Automated Export of the report in WFN. Data will be pushed from WFN to History Viewer for joint reporting of Position History only.
- Automated Export Services Implementation to Resource Navigation using End Point on ADPR_RSNAV
- Report Execution schedule (1x per day maximum frequency)

Automated Export Services:

- Client must be on ADPR r12 or higher
- Client's Firewall must be open to IP addresses 170.146.243.252
- The following permissions are required: ls/dir, write, rename, delete and read

Deliverables and Fees:

Check History data files will be created and imported into ADP Workforce Now solution for Practitioner level Access.

Employee Pay Rate Data files will be created and imported into ADP Workforce Now solution for Practitioner level Access.

Position History data will be loaded to the History Viewer, provided by Resource Navigation Solutions, a standalone system which allows clients to retain history from their legacy systems. History Viewer URL access will be provided to Client Practitioner for login with password.

Training related to History Conversions: All training is done remotely via internet and/or telephone unless otherwise specified. Four (4) hours of training is included.

Automated Export Services:

- Automated Export of Standard Report from Workforce Now to History Viewer
- Report Execution schedule (1x per day maximum frequency)

*Additional work items discovered or modifications will be billed under separate cover.

Fees:

SCN 4Z/F00300 – Check History - \$0

SCN 4Z/S00080 – History Viewer for Pay Rate and Position History - \$0

SCN 4Z/F00080 - Monthly Recurring fees for History Viewer - \$0

SCN 4Z/R0053Z - Automated Export Services - \$0

Upon completion of the services, ADP will request confirmation from the Client that the services and deliverables outlined in this statement of work have been satisfactorily delivered. Services, including any deliverables, will be deemed accepted by Client if no response has been received within 4 business days of the date of this confirmation request.

Customization Support and Maintenance

As part of the scope of this Statement of Work, customization projects will be maintained and supported by ADP within thirty (30) days following delivery. Ongoing phone support, additional change requests and customization upgrades, including those coinciding with new software releases, are available at additional cost. After this initial 30 day period, recurring maintenance fees if detailed in this SOW will apply to those Professional Services identified in this SOW

This Statement of Work ("SOW") is an addendum to the Agreement executed by the parties and is incorporated by reference as if fully set forth herein. All other terms and conditions of the Agreement shall remain in full force and effect. In the event of any conflict between the terms and conditions of this SOW and the terms and conditions of the Agreement, this SOW shall prevail as it relates to the services provided pursuant to this SOW. The terms defined in the Agreement and used in this SOW shall have the same respective meanings as set forth in the Agreement, unless clearly otherwise defined in this SOW.

As a condition to receiving certain Professional Services set forth on this SOW, Client will be subject to the following additional terms and conditions.

- 1 **ADP Resources.** ADP shall select resources including subcontractors that, in ADP's reasonable business judgment, are qualified to perform the Professional Services, and in the case of subcontractors have entered into an appropriate written agreement with ADP (each an "ADP Resource"). The ADP Resources are and shall be, notwithstanding anything to the contrary contained herein, ADP's employees or contractors, and shall not for any purpose be considered Client's employees. ADP or its subcontractor shall be solely responsible for the payment of the salaries of such ADP resources and all matters relating thereto (including the withholding and/or payment of all federal, state and local income and other payroll taxes), worker's compensation, disability benefits, medical and other insurance-related benefits and all such additional legal requirements applicable to employees of ADP or such subcontractor.
- 2 **Completion of Professional Services.** Upon completion of the Professional Services, Client will immediately notify ADP if the Professional Services and deliverables outlined in the Sales Order have not been satisfactorily delivered. The Professional Services will be deemed accepted by Client if no response has been received within five (5) days of the date of completion of the Professional Services.

| ADP, LLC | CLIENT |
|--|--|
| (Signature of Authorized Representative) | (Signature of Authorized Representative) |
| (Name – Please Print) | (Name – Please Print) |
| (Title) (Date) | (Title) (Date) |

Shy Montoya

From: Danny Brakebush <DannyB@rascpas.com>
Sent: Sunday, December 8, 2019 2:47 PM
To: Shy Montoya
Subject: Chehalem Parks & Rec
Attachments: Board Ltr Language.pdf; Indep. Auditor's Report - Language.pdf

Take care of this

Good afternoon Shy,

Roy has the report and will be planning to review and send you any final requested changes to you this week. However, we know that the District did not obtain a GASB 75 actuarial valuation for FY 17-18. Is this something that you would want included in the FY 17-18?

The GASB 75 actuarial valuation report is a report that documents the results of the actuarial valuation for the fiscal year of the Postemployment benefits other than Pensions, such as OPEB Health Insurance and Early Retirement or Stipend plans.

It takes about three weeks to get. If the District does not get one, we would mention that in the FS, we can express an opinion on everything else aside from this one particular area in the audit.

But that sounds scarier than it is. After speaking with Roy, there is really no consequences for not getting one, and we have other districts that have decided not to get one. In your case, it may be best not to get one and just try to get one for the next fiscal year.

I have attached the FS language from another district that we would include in the report if Chehalem Parks & Rec District chooses not to get one. But all in all, it is up to the district on whether or not you decide to get the valuation.

Please let me know if you have any questions. Roy is happy to answer any questions regarding this as well.

Thank you,

Danny Brakebush
Auditor – Senior Associate

Pauly, Rogers and Co., P.C. | 12700 SW 72nd Avenue | Tigard, OR 97223
(Phone: 503-620-2632 | 2 Fax: 503-684-7523 | * Email: DannyB@RASCPAS.com)

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www.rasgroupllc.com

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Results of Audit

1. Audit opinion letter - a modified opinion on the basic financial statements has been issued, due to the District not having a current actuarial valuation of post-employment.
2. State minimum standards – We found no exceptions or issues requiring comment.
3. Management letter – We issued a separate management letter dated November 7, 2019 detailing a significant deficiency in internal control.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2019, except for the implementation of GASB Statement No. 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* and GASB Statement No. 83 *Certain Asset Retirement Obligations*. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the basic financial statements were management's estimate of receivables, pension liabilities and deferrals for PERS, and capital asset depreciation, which are based on estimated collectability of receivables, actuarial assumptions, and useful lives of assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures in the basic financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, taken as a whole. There were immaterial uncorrected misstatements noted during the audit which were discussed with management.

Basis for Qualified Opinion

Management has not obtained an actuarial valuation of the post-employment benefit obligation related to the implicit healthcare subsidy in accordance with GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Accounting principles generally accepted in the United States of America require that actuarially determined annual required contributions related to postemployment benefits, other than retirement benefits, attributable to employee services already rendered be recorded as expenses as employees earn the benefits, which, if not funded, would increase the liabilities, reduce the net position, and change the expenses of the governmental activities. The amount by which this departure would affect net position, liabilities and expenses of the governmental activities is not reasonably determinable.

Qualified Opinion

In our opinion, except for the effects of not providing an actuarially determined liability for other postemployment benefits as described in the preceding paragraph, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the [REDACTED] as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted the provisions of GASB Statement No. 83 *Certain Asset Retirement Obligations* and GASB Statement No. 88 *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on management's discussion and analysis or schedules of net pension liability or employer contributions for PERS because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Parks Activity Report, December/ January 24, 2020

Aquatic and Fitness Center

CPRD is still working with Triplett Wellman and Proctor Sales (Aermec Units) trying to resolve some ongoing issues such as HVAC alarms from the ASHP's. Final Commissioning of the HVAC system has not been completed at this time; another meeting has been scheduled for January 30. All other mechanical systems are functioning correctly. We have been looking into and will be installing more personal storage spaces in the Fitness Center, lockers in the main restrooms, more cubbies and coat hooks in the fitness area.

Cultural Center

All mechanical systems currently working.

Friends Park

I will be putting out an RFP for the playground equipment and concrete work in early February which will have the playground equipment on site in April for installation. The Basketball equipment remains to be installed as well as finishing up the irrigation as weather permits. We have already determined what kind of playground structures the residents would like to see at the park. I will have a public meeting for the residents near Friends Park after the Proposals for the Playground have been received to let them choose the Playground structure they will want in the Park.

School Playground requests

CPRD continues meetings (next is February 12) with a group at Edwards Elementary School that include Parents, Teachers, School District employees for Phase II of the Edwards Playground. The Playground equipment for Phase I has been installed and was open for use on January 6, 2020. Staff from Parks and School District worked together with volunteers on the removal, preparation and the installation of the new equipment.

Trails

We have had preliminary meetings with Agrimus planning and design for both the Campground feasibility study as well as the proposed bypass corridor pathway. Land surveys have been completed for the Bypass trail in the Friends Park/Hess Creek area by Terra-Calc. A Survey and Phase I Environmental Survey Assessment has been completed on the 2.83 acre parcel on the Westrock Property that Don has been in discussion for donation. At this time a sale agreement has not been signed by Westrock. Survey has been completed on the Lindquist Property in Dundee. We will have some work to do on that site to keep the pathway within the property lines. We are continuing to work with the County on the acquisition of the landfill property. Hahn and Associates completed a Phase 1 Environmental Site Assessment Survey. We can now meet with the County to find out what their costs have been for all site monitoring and testing and plan for additional testing. Don will attach a summary from John Bridges in Correspondence. I recommend that it is time to approach the County for acquisition of County Landfill site knowing that there will be ongoing and additional testing required, and some limitations to the use of this property.

Parks

Mr. Jim Taft, who came to the Board meeting in December to ask that we have the Pool tables at the Senior Center refurbished, got his wish. Jim is a retired Electrical Engineer and worked with Josh to repair the Bingo board at the Senior Center as well. We continue to work in the parks inspecting playgrounds, making repairs, painting benches and tables, pruning and removing hazardous trees, repairing lights, bingo boards, organizing and clearing district buildings, cleaning gutters etc... Updating the inventory of all assets in the Parks and buildings

Chehalem Glenn

CPRD has hired a new Maintenance Director at Chehalem Glenn Golf Course. Aaron Gilbreth comes to us from Merriweather National in Hillsboro where he has been the Golf Course Superintendent since 2017. Aaron brings with him experience from Persimmon Country Club, Club Green Meadows, and The Portland Golf Club. He has an Associate's degree in Environmental Science specializing in Turfgrass Management from Spokane Falls College.

I am working on an RFP for the 41 sand bunkers that need to be renovated at Chehalem Glenn. We continue to work with John Stiedel on the 3rd Nine Design for the course and should be complete as you read these notes.

Parks Summary

Month of: December/January

| <u>Park Name</u> | <u>Hours worked</u> |
|----------------------------|---------------------|
| Armory | 72.00 |
| Billick/Dundee | 32.00 |
| CAFC | 206.00 |
| Cultural Center | 52.00 |
| Chehalem Valley M.S | 16.00 |
| College | 3.50 |
| Community Center | 6.50 |
| Crabtree | 25.50 |
| Crater Ballfields | 32.50 |
| Dundee Park | 6.00 |
| Dundee River Park | 0.00 |
| Elliott Road | 16.50 |
| Ewing Young | 6.00 |
| Falcon Crest Park | 6.00 |
| Fortune Park | 2.50 |
| Friends Park | 2.00 |
| Tom Gail Park | 8.00 |
| Gladys Park | 11.00 |
| Chehalem Glenn G.C. | 3.00 |
| Herbert Hoover Park | 8.00 |
| Jaquith Park | 29.00 |
| Jaquith Ball Fields | 43.50 |
| Memorial/Scout House | 3.50 |
| Mountainview | 0.00 |
| Oak Knoll Park | 1.50 |
| Oaks Park | 2.00 |
| Other District Land | 8.50 |
| Pre-School | 32.00 |
| Pride Gas | 3.00 |
| Renne Fields | 0.00 |
| Riley Park | 40.50 |
| Rotary Park | 8.00 |
| Sander Park | 2.00 |
| Schaad Park | 2.00 |
| Scott Leavitt Park | 6.00 |
| Senior Center | 120.00 |
| Spring Meadow | 2.50 |
| Waste Mngt | 6.00 |
| vacation/holiday/sick/comp | 128.00 |
| Wilsonville Property | 76.00 |
| Youth Building | 8.50 |
| <u>Total</u> | 1037.50 |

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Activity Financial Report - Nov 2019

Department - Aquatics 451

| EXPENDITURES | Nov '18/19 | Nov '19/20 | Yr to Date '19 | Yr to Date '20 | Year End 17/18 | Year End 18/19 | Est June 19/20 |
|---------------------------------------|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Aquatics - 451: | | | | | | | |
| Personnel Services | | | | | | | |
| Aquatic Supervisor | \$1,434.12 | \$1,502.60 | \$7,170.60 | \$7,478.76 | \$3,585.30 | \$17,209.44 | \$18,029.00 |
| Secretary I | \$1,247.03 | \$1,929.38 | \$7,363.07 | \$9,147.21 | \$14,093.85 | \$18,760.83 | \$23,400.00 |
| Secretary II | \$2,651.44 | \$2,783.91 | \$12,541.13 | \$13,124.35 | \$28,365.87 | \$30,126.77 | \$31,463.00 |
| Aquatic Coordinator | \$3,513.61 | \$3,688.68 | \$17,503.04 | \$18,005.72 | \$40,500.98 | \$42,098.37 | \$44,272.00 |
| Aquatics Specialist | \$2,887.86 | \$3,005.49 | \$14,295.41 | \$14,916.59 | \$3,920.10 | \$34,510.41 | \$36,423.00 |
| Guards | \$12,921.76 | \$15,970.58 | \$89,507.14 | \$88,405.95 | \$80,079.31 | \$181,090.90 | \$215,616.94 |
| Cashiers | \$4,068.89 | \$6,511.85 | \$21,258.71 | \$32,930.65 | \$39,227.41 | \$57,179.60 | \$80,888.00 |
| Instructors | \$3,885.55 | \$4,388.00 | \$27,794.22 | \$29,773.97 | \$41,042.78 | \$58,787.83 | \$49,025.00 |
| Coaches | | \$75.94 | \$292.56 | \$213.76 | \$5,641.23 | \$1,143.07 | \$3,456.00 |
| Group Fitness Instructors | | \$1,264.27 | | \$4,805.80 | | \$503.63 | \$31,611.06 |
| Personal Trainer | | \$25.00 | | \$150.00 | | \$3,375.00 | \$7,224.00 |
| FC Monitor | | | | \$47.57 | | | |
| Total Personnel Services | \$32,610.26 | \$41,145.70 | \$197,725.88 | \$219,000.33 | \$256,456.83 | \$441,410.85 | \$544,783.00 |
| Materials & Services: | | | | | | | |
| Office Supplies | \$302.33 | \$1,562.90 | \$1,238.37 | \$2,796.52 | \$3,221.11 | \$4,229.19 | \$5,510.00 |
| Postage Supplies | \$3.00 | \$60.65 | \$27.22 | \$101.35 | \$1,019.15 | \$278.84 | \$4,450.00 |
| Program Supplies | \$588.06 | \$513.01 | \$2,546.09 | \$2,351.18 | \$7,282.11 | \$11,688.40 | \$15,000.00 |
| Chemical & Agricultural Supplies | \$601.25 | \$465.37 | \$10,752.59 | \$9,808.86 | \$15,707.09 | \$28,883.48 | \$29,900.00 |
| Store Supplies | \$834.92 | | \$3,385.79 | \$2,196.15 | \$1,769.71 | \$6,572.47 | \$7,500.00 |
| Gas & Oil Supplies | | | | \$57.25 | \$24.91 | | \$625.00 |
| Brochure | | | | | \$733.43 | \$386.09 | \$1,450.00 |
| Flyers | \$62.01 | \$59.36 | \$500.99 | \$557.45 | \$1,437.74 | \$1,241.25 | \$4,850.00 |
| Professional Dues | \$358.95 | \$217.27 | \$1,296.67 | \$1,378.63 | \$1,772.00 | \$4,289.68 | \$3,810.00 |
| Conference/Workshops | \$929.38 | \$62.50 | \$983.38 | \$602.50 | \$1,101.95 | \$1,178.67 | \$1,200.00 |
| Staff Mileage | \$176.75 | | \$176.75 | \$109.74 | \$180.23 | \$176.75 | \$350.00 |
| Staff Expenses | \$37.70 | | \$90.33 | \$46.02 | \$520.71 | \$1,114.86 | \$1,000.00 |
| Utilities: | | | | | | | |
| Electricity | \$79,323.01 | \$21,406.33 | \$92,412.63 | \$87,435.42 | \$66,446.12 | \$245,129.42 | \$62,920.00 |
| Natural Gas | \$3,047.73 | \$917.34 | \$10,259.73 | \$3,238.02 | \$67,856.07 | \$33,649.02 | \$77,055.00 |
| Water/Sewer | \$1,898.62 | \$3,943.56 | \$16,405.10 | \$19,807.24 | \$35,804.59 | \$37,750.63 | \$45,375.00 |
| Telephone | \$342.05 | \$330.86 | \$1,281.46 | \$1,633.20 | \$2,896.60 | \$4,156.44 | \$3,780.00 |
| DOE Repayment | | | | | | | |
| Fees (activenet/bank/cc) | \$3,660.18 | \$5,844.17 | \$19,038.19 | \$24,723.88 | \$34,085.46 | \$48,912.30 | \$37,910.00 |
| Video & Online | | \$19.09 | | \$19.09 | \$468.77 | \$2,574.40 | |
| Prof & Contract Services | | | \$2,322.75 | | \$5,440.03 | \$7,623.76 | \$22,000.00 |
| Program Contracts 451.380.003 | \$69.90 | | \$13,545.85 | \$2,770.85 | \$26,528.09 | \$48,439.49 | \$33,766.00 |
| Insurance Services | | | | | | | |
| Equipment Maint Contract | | | | | | | |
| Refunds | \$90.00 | | \$131.00 | | \$108.60 | \$131.00 | \$450.00 |
| Equipment Rental | | | | | | | |
| Buildings & Structures | | | | | | | |
| Total Materials & Services | \$92,325.84 | \$37,725.16 | \$174,223.50 | \$165,073.38 | \$289,754.92 | \$488,406.14 | \$358,901.00 |
| TOTAL AQUATIC EXPENDITURES | \$124,936.10 | \$78,870.86 | \$371,949.38 | \$384,073.71 | \$546,211.75 | \$929,816.99 | \$903,684.00 |

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| Activity-Financial Report - Nov 2019 | Department - Aquatics 451 | | | | | | |
|--------------------------------------|---------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| REVENUE | Nov '18/19 | Nov '19/20 | Yr to Date '19 | Yr to Date '20 | Year End 17/18 | Year End 18/19 | Est June 19/20 |
| Aquatics - 451: | | | | | | | |
| 451.003 Youth Fitness | | | | | | | |
| 451.004 Gray & Golden | | | | | | | |
| 451.007/291 Water Exercise | \$166.00 | \$100.00 | \$1,541.50 | \$776.00 | \$204.00 | \$124.00 | \$11,865.00 |
| 451.008 Weight Training | | \$283.50 | \$36.00 | \$2,392.00 | \$4,107.25 | \$7,766.50 | \$23,745.00 |
| 451.011 Private Swim Lessons | \$2,847.00 | \$1,070.00 | \$27,977.50 | \$21,407.00 | \$35,134.75 | \$61,166.69 | \$43,900.00 |
| 451.012 Optum Fitness Advantage* | \$416.00 | \$1,600.00 | \$416.00 | \$6,984.00 | \$660.00 | \$5,585.00 | \$8,200.00 |
| 451.013 Water Safety | \$150.00 | \$519.00 | \$1,402.82 | \$1,412.35 | \$5,068.00 | \$2,789.82 | \$6,200.00 |
| 451.014 SilverSneakers - Tivity* | \$152.50 | \$730.00 | \$262.00 | \$2,227.00 | \$3,036.50 | \$1,842.50 | \$8,200.00 |
| 451.015 Silver&Fit - ASH* | \$1,791.00 | \$5,967.00 | \$1,815.00 | \$26,368.00 | \$21,049.55 | \$22,578.00 | \$8,200.00 |
| 451.016 Water Polo | \$467.98 | \$509.00 | \$14,767.98 | \$11,559.50 | \$20,736.64 | \$21,433.46 | \$10,000.00 |
| 451.017 GFU | \$5,958.00 | | \$25,262.50 | \$7,556.25 | \$10,000.00 | \$39,484.00 | \$36,775.00 |
| 451.018 Newberg High School | | | | | | \$81.00 | |
| 451.019 School Districts | | | | | | \$4,301.00 | \$5,225.00 |
| 451.020 Locker Income | | | \$964.00 | | | | |
| 451.021 Locker Rental | | | | | | | |
| 451.023 Pool Rental | \$2,390.00 | \$7,750.00 | \$9,799.50 | \$12,046.00 | \$1,427.50 | \$33.00 | \$15,300.00 |
| 451.024 Classroom Rental | \$1,095.00 | \$761.25 | \$3,761.75 | \$2,832.26 | \$13,922.76 | \$20,347.70 | \$4,800.00 |
| 451.025 Sauna/Spa | \$463.00 | \$694.00 | \$2,326.00 | \$2,533.10 | \$3,440.50 | \$12,301.00 | \$6,412.90 |
| 451.026 Special Events | | | \$80.00 | | \$5,109.70 | \$80.00 | \$1,500.00 |
| 451.027 Repasses | \$150.00 | | \$150.00 | | | \$150.00 | |
| 451.061 Vending | | | \$31.50 | | \$2,459.36 | \$1,140.48 | \$2,420.00 |
| 451.200 Aquatics Misc | | | \$200.00 | | \$25.00 | \$200.00 | |
| 451.280/293 Sales | \$363.00 | \$375.00 | \$3,119.75 | \$4,004.50 | \$6,174.76 | \$7,065.00 | \$10,000.00 |
| 451.281 CST/CVA | | | \$132.00 | | \$12,544.50 | \$15,430.00 | \$18,000.00 |
| 451.282 Swim Lessons | \$9,388.50 | \$7,823.32 | \$70,335.82 | \$54,302.87 | \$126,291.39 | \$151,807.90 | \$154,515.00 |
| 451.283 Lap Swim | \$967.00 | \$990.50 | \$8,181.42 | \$7,744.75 | \$8,937.45 | \$16,778.42 | \$9,145.00 |
| 451.284 Public Swim | \$7,368.75 | \$7,185.75 | \$76,625.93 | \$59,010.25 | \$46,059.22 | \$151,618.64 | \$96,125.00 |
| 451.285 Equipment Rental | | | \$25.00 | | \$889.00 | | |
| 451.286 Membership Sales | \$9,318.00 | \$28,004.30 | \$59,561.70 | \$134,642.16 | \$109,348.50 | \$231,824.64 | \$192,076.00 |
| 451.287 Weight Room | \$100.00 | \$1,492.50 | \$180.00 | \$6,648.50 | \$8,186.48 | \$7,481.00 | \$10,500.00 |
| 451.289 Punch Cards - General | \$2,291.50 | \$2,607.00 | \$11,846.50 | \$12,473.50 | \$11,324.00 | \$29,174.90 | \$12,425.00 |
| 451.290 Gift Certificates | | | | | | | |
| 451.292 Scholarship (Swim Lessons) | | | | | | | |
| 451.294 Kayak/SUP Yoga | | \$60.00 | \$3,247.00 | \$1,560.00 | \$1,095.00 | \$640.00 | \$3,868.30 |
| 451.296 Patio Rental | | \$2,040.00 | \$70.00 | \$3,986.75 | \$550.00 | \$3,868.30 | \$485.50 |
| 451.293/425 Basketball Court | | \$1,022.50 | | \$4,321.25 | | \$214.00 | \$14.00 |
| 451.285/426 Pickleball Court | | \$261.50 | | \$566.50 | | | |
| 451.021/427 Volleyball Court | | \$30.00 | | \$197.00 | | | |
| 451.428 SkyTrack | | | | \$6.50 | | | |
| TOTAL AQUATIC REVENUE | \$45,843.23 | \$74,157.12 | \$324,119.17 | \$398,211.99 | \$484,784.56 | \$837,860.35 | \$688,916.00 |

Activity Financial Report - Dec 2019

Department - Aquatics 451

| EXPENDITURES | Dec '18/19 | Dec '19/20 | Yr to Date '19 | Yr to Date '20 | Year End 17/18 | Year End 18/19 | Est June 19/20 |
|---------------------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Aquatics - 451: | | | | | | | |
| Personnel Services | | | | | | | |
| Aquatic Supervisor | \$1,434.12 | \$1,502.60 | \$8,604.72 | \$8,981.36 | \$3,585.30 | \$17,209.44 | \$18,029.00 |
| Secretary I | \$1,655.49 | \$1,777.50 | \$9,018.56 | \$10,924.71 | \$14,093.85 | \$18,760.83 | \$23,400.00 |
| Secretary II | \$2,420.88 | \$2,398.13 | \$14,962.01 | \$15,522.48 | \$28,365.87 | \$30,126.77 | \$31,463.00 |
| Aquatic Coordinator | \$3,513.61 | \$3,711.38 | \$21,016.65 | \$21,717.10 | \$40,500.98 | \$42,098.37 | \$44,272.00 |
| Aquatics Specialist | \$2,887.85 | \$3,031.74 | \$17,183.26 | \$17,948.33 | \$3,920.10 | \$34,510.41 | \$36,423.00 |
| Guards | \$12,921.03 | \$12,105.21 | \$102,428.17 | \$100,511.16 | \$80,079.31 | \$181,090.90 | \$215,616.94 |
| Cashiers | \$4,106.02 | \$5,346.06 | \$25,364.73 | \$38,276.71 | \$39,227.41 | \$57,179.60 | \$80,888.00 |
| Instructors | \$2,689.75 | \$2,808.23 | \$30,483.97 | \$32,582.20 | \$41,042.78 | \$58,787.83 | \$49,025.00 |
| Coaches | \$30.75 | \$316.68 | \$261.81 | \$530.44 | \$5,641.23 | \$1,143.07 | \$3,456.00 |
| Group Fitness Instructors | | \$1,282.59 | | \$6,088.39 | | \$503.63 | \$3,375.00 |
| Personal Trainer | | | | \$150.00 | | | \$7,224.00 |
| FC Monitor | | | | \$47.57 | | | \$544,783.00 |
| Total Personnel Services | \$31,598.00 | \$34,280.12 | \$229,323.88 | \$253,280.45 | \$256,456.83 | \$441,410.85 | \$544,783.00 |
| Materials & Services: | | | | | | | |
| Office Supplies | \$435.86 | \$387.96 | \$1,674.23 | \$3,184.48 | \$3,221.11 | \$4,229.19 | \$5,510.00 |
| Postage Supplies | \$41.16 | \$17.05 | \$62.38 | \$118.40 | \$1,019.15 | \$278.84 | \$4,450.00 |
| Program Supplies | \$123.03 | \$4,377.79 | \$2,689.12 | \$6,728.97 | \$7,282.11 | \$11,688.40 | \$15,000.00 |
| Chemical & Agricultural Supplies | \$2,534.18 | \$2,146.70 | \$13,286.77 | \$11,955.56 | \$15,707.09 | \$28,883.48 | \$29,900.00 |
| Store Supplies | \$129.60 | \$554.48 | \$3,515.39 | \$2,750.63 | \$1,769.71 | \$6,572.47 | \$7,500.00 |
| Gas & Oil Supplies | | | | \$57.25 | \$24.91 | | \$625.00 |
| Classifieds | | | | | \$733.43 | \$386.09 | \$1,450.00 |
| Brochure | | | | | \$1,437.74 | \$1,241.25 | \$4,850.00 |
| Fliers | \$56.05 | \$91.84 | \$557.04 | \$649.29 | \$1,772.00 | \$4,289.68 | \$3,810.00 |
| Professional Dues | \$1,391.71 | \$196.65 | \$2,688.38 | \$1,575.28 | \$1,101.95 | \$1,178.67 | \$1,200.00 |
| Conference/Workshops | \$57.29 | | \$1,040.67 | \$602.50 | \$180.23 | \$176.75 | \$350.00 |
| Staff Mileage | | \$100.65 | \$176.75 | \$210.39 | \$520.71 | \$1,114.86 | \$1,000.00 |
| Staff Expenses | \$842.41 | \$540.83 | \$932.74 | \$586.85 | | | |
| Utilities: | | | | | | | |
| Electricity | \$25,695.94 | \$21,642.07 | \$120,051.05 | \$109,077.49 | \$66,446.12 | \$245,129.42 | \$62,920.00 |
| Natural Gas | | \$982.76 | \$10,947.60 | \$4,220.78 | \$67,856.07 | \$33,649.02 | \$77,055.00 |
| Water/Sewer | \$3,012.47 | \$3,749.83 | \$19,417.57 | \$23,557.07 | \$35,804.59 | \$37,750.63 | \$45,375.00 |
| Telephone | \$497.30 | \$475.83 | \$1,778.76 | \$2,109.03 | \$2,896.60 | \$4,156.44 | \$3,780.00 |
| DOE Repayment | | | | | | | |
| Fees (activenebank/cc) | \$1,523.60 | \$3,856.97 | \$20,561.79 | \$28,580.85 | \$34,085.46 | \$48,912.30 | \$37,910.00 |
| Video & Online | | \$19.08 | | \$38.17 | \$468.77 | \$2,574.40 | \$22,000.00 |
| Structure Maint/Repairs | | | \$140.00 | \$5,580.03 | \$20,020.94 | \$7,623.76 | \$33,766.00 |
| Program Contracts 451:380.003 | | | | \$2,770.85 | \$26,528.09 | \$48,439.49 | \$33,766.00 |
| Insurance Services | | | \$13,545.85 | | | | |
| Equipment Maint Contract | | | | | \$108.60 | \$131.00 | \$450.00 |
| Refunds | | | | | | | |
| Equipment Rental | | | | | | | |
| Buildings & Structures | | | | | | | |
| Total Materials & Services | \$36,340.60 | \$39,280.49 | \$213,188.45 | \$204,353.87 | \$289,754.92 | \$488,406.14 | \$358,901.00 |
| TOTAL AQUATIC EXPENDITURES | \$67,938.60 | \$73,560.61 | \$442,512.33 | \$457,634.32 | \$546,211.75 | \$929,816.99 | \$903,684.00 |

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| Activity Financial Report - Dec 2019 | | Department - Aquatics 451 | | | | | | |
|--------------------------------------|--------------------|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--|
| REVENUE | Dec '18/19 | Dec '19/20 | Yr to Date '19 | Yr to Date '20 | Year End 17/18 | Year End 18/19 | Est June 19/20 | |
| Aquatics - 451: | | | | | | | | |
| 451.003 Youth Fitness | | | | | | | | |
| 451.004 Gray & Golden | | \$96.00 | | \$872.00 | \$204.00 | \$124.00 | \$11,865.00 | |
| 451.007/291 Water Exercise | \$72.00 | \$167.00 | \$1,613.59 | \$1,631.00 | \$4,107.25 | \$7,766.50 | \$11,865.00 | |
| 451.008 Weight Training | | \$3,511.00 | \$36.00 | \$14,165.00 | \$21,696.75 | \$13,641.00 | \$23,745.00 | |
| 451.011 Private Swim Lessons | \$1,581.00 | \$2,133.00 | \$29,558.50 | \$23,540.00 | \$35,134.75 | \$61,166.69 | \$43,900.00 | |
| 451.012 Optum Fitness Advantage* | | \$1,504.00 | \$416.00 | \$8,488.00 | \$660.00 | \$5,585.00 | \$8,200.00 | |
| 451.013 Water Safety | | \$553.00 | \$1,402.82 | \$1,965.35 | \$5,068.00 | \$2,789.82 | \$6,000.00 | |
| 451.014 SilverSneakers - Tivly* | \$176.00 | | \$438.00 | \$2,227.00 | \$3,036.50 | \$1,842.50 | \$8,200.00 | |
| 451.015 Silver&Fit - ASH* | \$1,767.00 | \$5,426.00 | \$3,582.00 | \$31,794.00 | \$21,049.55 | \$22,578.00 | \$8,200.00 | |
| 451.016 Water Polo | \$1,950.23 | \$4,141.70 | \$16,718.21 | \$15,701.20 | \$20,736.84 | \$21,433.46 | \$10,000.00 | |
| 451.017 GFU | \$1,492.00 | \$918.00 | \$26,754.50 | \$8,474.25 | \$10,000.00 | \$39,484.00 | \$36,775.00 | |
| 451.018 Newberg High School | | | | | | \$81.00 | | |
| 451.019 School Districts | | | \$964.00 | | \$5,510.00 | \$4,301.00 | \$5,225.00 | |
| 451.020 Locker Income | | | | | | | | |
| 451.021 Locker Rental | | | | | | | | |
| 451.023 Pool Rental | \$250.00 | \$635.00 | \$10,049.50 | \$12,681.00 | \$1,427.50 | \$33.00 | \$15,300.00 | |
| 451.024 Classroom Rental | \$587.50 | \$1,843.75 | \$4,349.25 | \$4,676.01 | \$3,440.50 | \$12,301.00 | \$4,800.00 | |
| 451.025 Sauna/Spa | \$609.50 | \$605.00 | \$2,935.50 | \$3,138.10 | \$5,109.70 | \$6,412.90 | \$1,500.00 | |
| 451.026 Special Events | | \$100.00 | \$80.00 | \$100.00 | | \$80.00 | | |
| 451.027 Repasses | | | \$150.00 | | | \$150.00 | | |
| 451.061 Vending | | | \$31.50 | \$25.00 | \$2,459.36 | \$1,140.48 | \$2,420.00 | |
| 451.200 Aquatics Misc | | \$25.00 | \$200.00 | \$25.00 | \$25.00 | \$200.00 | | |
| 451.280/293 Sales | \$206.00 | \$316.00 | \$3,325.75 | \$4,320.50 | \$6,174.76 | \$7,065.00 | \$10,000.00 | |
| 451.281 CST/CVA | | | \$132.00 | | \$12,544.50 | \$15,430.00 | \$18,000.00 | |
| 451.282 Swim Lessons | \$4,296.66 | \$8,961.61 | \$74,634.48 | \$63,264.48 | \$126,291.39 | \$151,807.90 | \$154,515.00 | |
| 451.283 Lap Swim | \$932.50 | \$1,528.50 | \$9,113.92 | \$9,273.25 | \$8,937.45 | \$16,778.42 | \$9,145.00 | |
| 451.284 Public Swim | \$5,960.75 | \$6,040.00 | \$82,586.68 | \$65,050.25 | \$46,059.22 | \$151,618.64 | \$96,125.00 | |
| 451.285 Equipment Rental | | | \$25.00 | | \$889.00 | | | |
| 451.286 Membership Sales | \$12,353.27 | \$18,950.69 | \$71,914.97 | \$153,592.85 | \$109,348.50 | \$231,824.64 | \$192,076.00 | |
| 451.287 Weight Room | | \$1,868.00 | \$180.00 | \$8,516.50 | \$8,186.48 | \$7,481.00 | \$10,500.00 | |
| 451.289 Punch Cards - General | \$1,767.00 | \$3,671.01 | \$13,613.50 | \$16,144.51 | \$11,324.00 | \$29,174.90 | \$12,425.00 | |
| 451.290 Gift Certificates | | | | | | | | |
| 451.292 Scholarship (Swim Lessons) | | | | | | | | |
| 451.294 SUP Yoga/Fencing | | \$11,622.20 | \$3,247.00 | \$13,182.20 | \$1,095.00 | \$640.00 | | |
| 451.296 Patio Rental | | | \$70.00 | \$3,986.75 | \$550.00 | \$3,866.30 | | |
| 451.293/425 Basketball Court | | \$1,747.50 | | \$6,068.75 | | \$485.50 | | |
| 451.285/426 Pickleball Court | | \$271.50 | | \$838.00 | | \$214.00 | | |
| 451.021/427 Volleyball Court | | \$27.00 | | \$224.00 | | \$14.00 | | |
| 451.428 SkyTrack | | | | \$6.50 | | | | |
| 451.429 Fencing | | \$60.00 | | \$60.00 | | | | |
| TOTAL AQUATIC REVENUE | \$34,003.41 | \$76,722.46 | \$358,122.58 | \$474,006.45 | \$484,784.56 | \$837,860.35 | \$688,916.00 | |

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Adult Sports

December 2019 Activity Report, Department 452

| Department 452 Participation Tracking | November 2019 | |
|--|---------------|-------------------|
| Activity | Participants | Participant Hours |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Department 452 Financial Tracking | November 2019 | |
| Supervisory Staff Expense | 645 | |
| Administrative Staff Expense | 1000 | |
| Part Time Staff Expense | 0 | |
| Material Expense | 415 | |
| Total Expense | 2060 | |
| Program Revenue | 370 | |
| Net | (1690) | |
| Cost Per Participant | 00 | |
| Cost Per Participant Hour | 00 | |

Department 452 – Adult Sports

CPRD Adult City League basketball is in the middle of registration. Currently there are 6 teams enrolled. Registration will close in late December and games will begin January 6



Youth Sports

December 2019 Activity Report, Department [453](#)

| Department 453 Participation Tracking | | November 2019 | |
|--|---------------------|--------------------------|--|
| Activity | Participants | Participant Hours | |
| Elite Basketball | 140 | 2250 | |
| Jr Tiger Basketball | 340 | 750 | |
| | | | |
| | | | |
| Total | 480 | 3000 | |

| Department 453 Financial Tracking | | November 2019 | |
|--|--------------|----------------------|--|
| Supervisory Staff Expense | 4530 | | |
| Administrative Staff Expense | 2400 | | |
| Part Time Staff Expense | 950 | | |
| Program/Materials Expense | 16950 | | |
| Total Expense | 24930 | | |
| Program Revenue | 60215 | | |
| Net | 35285 | | |
| Cost Per Participant | 73.50 | | |
| Cost Per Participant Hour | 11.75 | | |

Department 453 – Youth Sports

The winter sports season has arrived. Our Elite basketball travel teams started playing in tournaments in November. Jr Tiger registration closed in late November and the teams began practicing the week of Thanksgiving. This season we will have 35 teams playing in our Jr tiger program. Participation levels are up 12% over last season.



Adult Sports

January 2020 Activity Report, Department 452

| Department 452 Participation Tracking | December 2019 | |
|--|---------------|-------------------|
| Activity | Participants | Participant Hours |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Department 452 Financial Tracking | December 2019 | |
| Supervisory Staff Expense | 775 | |
| Administrative Staff Expense | 1000 | |
| Part Time Staff Expense | 0 | |
| Material Expense | 505 | |
| Total Expense | 2280 | |
| Program Revenue | 5355 | |
| Net | 3075 | |
| Cost Per Participant | 00 | |
| Cost Per Participant Hour | 00 | |

Department 452 – Adult Sports

CPRD Adult League basketball ended registration in late December. 10 teams are enrolled for the 2020 season. Games will begin January 6. The Camellia run and festival staff is currently holding meetings and registration has opened.



Youth Sports

January 2020 Activity Report, Department 453

| Department 453 Participation Tracking | December 2019 | |
|--|---------------|-------------------|
| Activity | Participants | Participant Hours |
| Elite Basketball | 140 | 2250 |
| Jr Tiger Basketball | 340 | 750 |
| | | |
| | | |
| | | |
| | 480 | 3000 |

| Department 453 Financial Tracking | 2019 | |
|--------------------------------------|------------|--|
| Supervisory Staff Expense | 4200 | |
| Administrative Staff Expense | 2200 | |
| Part Time Staff Expense | 1330 | |
| Program/Materials Expense | 26430 | |
| Total Expense | 34160 | |
| Program Revenue | 9170 | |
| Net | (24990.00) | |
| Cost Per Participant | (52.05) | |
| Cost Per Participant Hour | (8.30) | |

Department 453 – Youth Sports

The winter sports season is in full swing. Our Elite basketball travel teams are playing in tournaments all over the metro area. Jr Tiger registration closed in late November and the teams began playing games Dec. 7. This season we have 35 teams in Jr Tiger and play 20 games a weekend at local gyms. Participation levels are up 12% over last season.

YTD through December

| | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY19 v FY18 | % Diff |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|--------------|
| Starts by Category | | | | | | | | | | | |
| Resident | 3417 | 2452 | 2709 | 3337 | 2555 | 3475 | 3812 | 4515 | 5210 | 695 | 15.4% |
| Non Resident | 12582 | 8625 | 10492 | 9381 | 7396 | 8599 | 7454 | 4515 | 4265 | -250 | -5.5% |
| Group | 2637 | 3027 | 2331 | 1656 | 1861 | 1580 | 1748 | 1517 | 1273 | -244 | -16.1% |
| League | 485 | 347 | 342 | 332 | 316 | 332 | 273 | 92 | 69 | -23 | -25.0% |
| Complimentary | 1261 | 1285 | 1238 | 1403 | 1119 | 1215 | 910 | 918 | 1021 | 103 | 11.2% |
| Misc/Promotional | 2715 | 5604 | 2949 | 1899 | 5191 | 4639 | 3815 | 7806 | 6923 | -883 | -11.3% |
| Total Starts | 23097 | 21340 | 20061 | 18008 | 18438 | 19830 | 18012 | 19860 | 19291 | -569 | -2.9% |
| Revenue | | | | | | | | | | | |
| Green Fees | \$ 501,137.00 | \$ 474,455.00 | \$ 452,651.00 | \$ 377,489.00 | \$ 417,329.00 | \$ 434,864.73 | \$ 413,268.00 | \$ 421,209.00 | \$ 401,163.00 | \$ (20,046.00) | -4.8% |
| Driving Range | \$ 46,428.00 | \$ 38,143.00 | \$ 38,489.00 | \$ 34,308.00 | \$ 30,028.00 | \$ 33,819.00 | \$ 29,931.00 | \$ 38,441.00 | \$ 34,193.00 | \$ (4,248.00) | -11.1% |
| Rentals | \$ 172,438.00 | \$ 142,604.00 | \$ 138,419.00 | \$ 114,015.00 | \$ 112,335.00 | \$ 135,076.03 | \$ 130,728.00 | \$ 110,344.00 | \$ 100,034.00 | \$ (10,310.00) | -9.3% |
| Golf Shop | \$ 50,136.00 | \$ 48,289.00 | \$ 48,150.00 | \$ 43,407.00 | \$ 46,947.00 | \$ 33,335.82 | \$ 32,243.00 | \$ 44,540.00 | \$ 40,486.00 | \$ (4,054.00) | -9.1% |
| Snack Bar | \$ 123,106.00 | \$ 128,171.00 | \$ 96,914.00 | \$ 76,098.00 | \$ 75,853.00 | \$ 99,943.10 | \$ 84,348.00 | \$ 94,294.00 | \$ 87,535.00 | \$ (6,759.00) | -7.2% |
| Instruction | \$ 12,404.00 | \$ 10,741.00 | \$ 11,489.00 | \$ 11,778.00 | \$ 3,543.00 | \$ 1,624.00 | \$ 1,175.00 | \$ 6,363.00 | \$ 3,799.00 | \$ (2,564.00) | -40.3% |
| Miscellaneous | \$ 25,221.00 | \$ 31,941.00 | \$ 32,023.00 | \$ (1,219.00) | \$ 2,059.00 | \$ (14,610.44) | \$ (14,584.00) | \$ 1,175.00 | \$ 3,865.00 | \$ 2,690.00 | 228.9% |
| Total Revenue | \$ 930,870.00 | \$ 874,344.00 | \$ 818,135.00 | \$ 655,876.00 | \$ 688,094.00 | \$ 724,052.24 | \$ 677,109.00 | \$ 726,158.00 | \$ 677,640.00 | \$ (48,518.00) | -6.7% |
| \$ per Start | | | | | | | | | | | |
| Green Fees \$ per Start | \$ 21.70 | \$ 22.23 | \$ 22.56 | \$ 20.96 | \$ 22.63 | \$ 21.93 | \$ 22.94 | \$ 21.21 | \$ 20.80 | \$ (0.41) | -1.9% |
| Driving Range \$ per Start | \$ 2.01 | \$ 1.79 | \$ 1.92 | \$ 1.91 | \$ 1.63 | \$ 1.71 | \$ 1.66 | \$ 1.94 | \$ 1.77 | \$ (0.16) | -8.4% |
| Rentals \$ per Start | \$ 7.47 | \$ 6.68 | \$ 6.90 | \$ 6.33 | \$ 6.09 | \$ 6.81 | \$ 7.26 | \$ 5.56 | \$ 5.19 | \$ (0.37) | -6.7% |
| Golf Revenue \$ per Start | \$ 31.17 | \$ 30.70 | \$ 31.38 | \$ 29.20 | \$ 30.36 | \$ 30.45 | \$ 31.86 | \$ 28.70 | \$ 27.75 | \$ (0.95) | -3.3% |
| Golf Shop | \$ 2.17 | \$ 2.26 | \$ 2.40 | \$ 2.41 | \$ 2.55 | \$ 1.68 | \$ 1.79 | \$ 2.24 | \$ 2.10 | \$ (0.14) | -6.4% |
| Snack Bar | \$ 5.33 | \$ 6.01 | \$ 4.83 | \$ 4.23 | \$ 4.11 | \$ 5.04 | \$ 4.68 | \$ 4.75 | \$ 4.54 | \$ (0.21) | -4.4% |
| Concession Revenue | \$ 7.50 | \$ 8.27 | \$ 7.23 | \$ 6.64 | \$ 6.66 | \$ 6.72 | \$ 6.47 | \$ 6.99 | \$ 6.64 | \$ (0.35) | -5.1% |
| Total Revenue \$ per Start | \$ 40.30 | \$ 40.97 | \$ 40.78 | \$ 36.42 | \$ 37.32 | \$ 36.51 | \$ 37.59 | \$ 36.56 | \$ 35.13 | \$ (1.44) | -3.9% |
| GolfNow Barter Rounds | 121 | 168 | 316 | 530 | 632 | 847 | 932 | 940 | 953 | 13 | 1.4% |

After a good start to the fiscal year, the weather really turned late August through September, which are prime revenue times for us. The weather got better in mid October through November, but those months are not near as high revenue months, so we haven't been able to make up what we were down from August/September. December was not a good weather month either. We are on par with 2017, which was a similar weather year to this year so far.

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| | | December | | | | | | | | | | | | | |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------|-------|--|--|
| | Dry Days | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 19v18 | % Dif | | |
| Starts by Category | 7 | 15 | 7 | 9 | 11 | 3 | 6 | 12 | 10 | 7 | | | | | |
| Resident | 332 | 264 | 261 | 193 | 277 | 214 | 170 | 300 | 270 | 401 | 131 | 48.5% | | | |
| Non Resident | 419 | 471 | 357 | 278 | 298 | 151 | 128 | 305 | 207 | 249 | 42 | 20.3% | | | |
| Group | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 144 | 0 | -144 | -100.0% | | | |
| League | 34 | 28 | 0 | 28 | 29 | 3 | 11 | 27 | 36 | 13 | -23 | -63.9% | | | |
| Complimentary | 80 | 81 | 61 | 66 | 71 | 36 | 28 | 71 | 77 | 81 | 4 | 5.2% | | | |
| Misc/Promotional | 248 | 230 | 150 | 87 | 187 | 131 | 218 | 320 | 380 | 373 | -7 | -1.8% | | | |
| Total Starts | 1113 | 1074 | 829 | 652 | 862 | 535 | 555 | 1320 | 1334 | 1328 | -6 | -0.4% | | | |
| Revenue | | | | | | | | | | | | | | | |
| Green Fees | \$ 19,375.00 | \$ 14,879.00 | \$ 16,879.00 | \$ 8,312.00 | \$ 63,423.00 | \$ 68,252.00 | \$ 73,522.00 | \$ 68,237.00 | \$ 64,682.00 | \$ 57,886.00 | \$ (6,796.00) | -10.5% | | | |
| Driving Range | \$ 1,416.00 | \$ 2,074.00 | \$ 1,146.00 | \$ 1,321.00 | \$ 1,535.00 | \$ 850.00 | \$ 1,038.00 | \$ 1,834.00 | \$ 1,762.00 | \$ 1,330.00 | \$ (432.00) | -24.5% | | | |
| Rentals | \$ 3,645.00 | \$ 4,273.00 | \$ 3,076.00 | \$ 2,093.00 | \$ 2,682.00 | \$ 1,665.00 | \$ 1,525.00 | \$ 5,066.00 | \$ 4,140.00 | \$ 3,064.00 | \$ (1,076.00) | -26.0% | | | |
| Golf Shop | \$ 4,665.00 | \$ 4,630.00 | \$ 3,054.00 | \$ 2,260.00 | \$ 1,867.00 | \$ 1,439.00 | \$ 4,967.00 | \$ 2,819.00 | \$ 3,806.00 | \$ 2,674.00 | \$ (1,132.00) | -29.7% | | | |
| Snack Bar | \$ 3,925.00 | \$ 3,495.00 | \$ 2,996.00 | \$ 1,851.00 | \$ 2,435.00 | \$ 1,417.00 | \$ 1,545.00 | \$ 2,718.00 | \$ 2,728.00 | \$ 3,014.00 | \$ 286.00 | 10.5% | | | |
| Instruction | \$ 446.00 | \$ 90.00 | \$ 948.00 | \$ - | \$ 710.00 | \$ 75.00 | \$ 240.00 | \$ 185.00 | \$ 350.00 | \$ 250.00 | \$ (100.00) | -28.6% | | | |
| Miscellaneous | \$ 4,098.00 | \$ 8,403.00 | \$ 2,025.00 | \$ 10,874.00 | \$ 2,809.00 | \$ 9,322.00 | \$ 7,714.00 | \$ 4,175.00 | \$ 3,654.00 | \$ 5,476.00 | \$ 1,822.00 | 49.9% | | | |
| Total Revenue | \$ 37,570.00 | \$ 37,844.00 | \$ 30,124.00 | \$ 26,711.00 | \$ 75,461.00 | \$ 83,020.00 | \$ 90,551.00 | \$ 85,034.00 | \$ 81,122.00 | \$ 73,694.00 | \$ (7,428.00) | -9.2% | | | |
| \$ per Start | | | | | | | | | | | | | | | |
| Green Fees \$ per Start | \$ 17.41 | \$ 13.85 | \$ 20.36 | \$ 12.75 | \$ 73.58 | \$ 127.57 | \$ 132.47 | \$ 51.69 | \$ 48.49 | \$ 43.59 | \$ (4.90) | -10.1% | | | |
| Driving Range \$ per Start | \$ 1.27 | \$ 1.93 | \$ 1.38 | \$ 2.03 | \$ 1.78 | \$ 1.59 | \$ 1.87 | \$ 1.39 | \$ 1.32 | \$ 1.00 | \$ (0.32) | -24.2% | | | |
| Rentals \$ per Start | \$ 3.27 | \$ 3.98 | \$ 3.71 | \$ 3.21 | \$ 3.11 | \$ 3.11 | \$ 2.75 | \$ 3.84 | \$ 3.10 | \$ 2.31 | \$ (0.80) | -25.7% | | | |
| Golf Revenue \$ per Start | \$ 21.96 | \$ 19.76 | \$ 25.45 | \$ 17.98 | \$ 78.47 | \$ 132.27 | \$ 137.09 | \$ 56.92 | \$ 52.91 | \$ 46.90 | \$ (6.01) | -11.4% | | | |
| Golf Shop \$ per Start | \$ 4.19 | \$ 4.31 | \$ 3.68 | \$ 3.47 | \$ 2.17 | \$ 2.69 | \$ 8.95 | \$ 2.14 | \$ 2.85 | \$ 2.01 | \$ (0.84) | -29.4% | | | |
| Snack Bar \$ per Start | \$ 3.53 | \$ 3.25 | \$ 3.61 | \$ 2.84 | \$ 2.82 | \$ 2.65 | \$ 2.78 | \$ 2.06 | \$ 2.04 | \$ 2.27 | \$ 0.22 | 11.0% | | | |
| Concession Revenue | \$ 7.72 | \$ 7.57 | \$ 7.30 | \$ 6.31 | \$ 4.99 | \$ 5.34 | \$ 11.73 | \$ 4.19 | \$ 4.90 | \$ 4.28 | \$ (0.61) | -12.6% | | | |
| Total Revenue \$ per Start | \$ 33.76 | \$ 35.24 | \$ 36.34 | \$ 40.97 | \$ 87.54 | \$ 155.18 | \$ 163.15 | \$ 64.42 | \$ 60.81 | \$ 55.49 | \$ (5.32) | -8.7% | | | |
| GolfNow Barter Rounds | 0 | 0 | 16 | 46 | 68 | 38 | 54 | 89 | 110 | 115 | \$ | 4.5% | | | |

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Subject: Thankyou: Sr Center Billiard Tables

Date: Friday, December 6, 2019 at 2:53:48 PM Pacific Standard Time

From: atalt@aol.com

To: Kat Ricker

(Hi Kat, please forward this thankyou where appropriate)

Dear CPRD Board and Management,

There was rejoicing this morning among the Newber Sr Center pool players.

We thank you all for your support of the pool table refurbishment proposal which will afford present and future pool players many years of quality pool at the center.

Sincerely,

Jim Talt

James Talt
201 Crestview Dr
Newberg, OR 97132
(503) 554 5461

January 22, 2020

CPRD Board Members & Managers
125 S. Elliott Road
Newberg, OR 97132

Subject: Senior Center Pool Tables

Dear CPRD Team,

The Senior Center pool table restoration work was completed on schedule January 3rd and the group played our first games on them January 4th. Wow, Fabulous! Shooting pool on the refurbished tables is something like driving a new BMW versus an old pickup truck. The difference is huge and we have all had to recalibrate our shot techniques because the balls will travel several feet further on the new cloth.

Every time we play it is smiles all around from the entire group and we say collectively: Thankyou!!

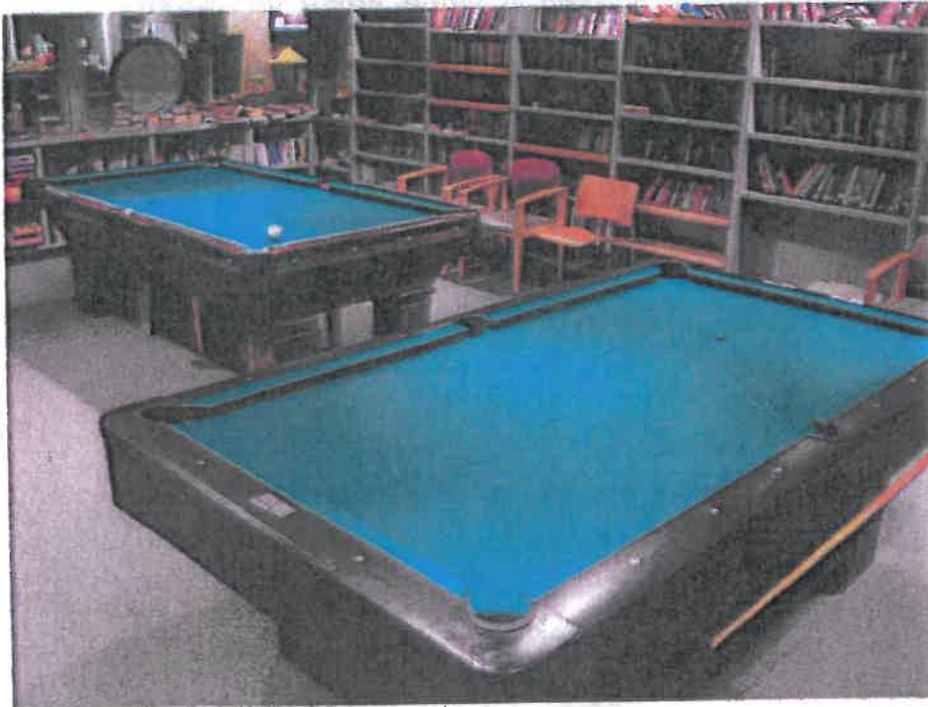
Sincerely,

The Newberg Pool Players

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Table Number 1 Being Repaired



Both Tables Completed

James A Talt
201 Crestview Dr
Newberg, OR 97132
(503) 554 5461

January 19, 2020

CPRD Board Members
125 S. Elliott Road
Newberg, OR 97132

Subject: Josh Danner and CPRD Maintenance Dept.

Dear CPRD Board,

The Newberg Senior Center bingo machine has been slowly failing for several years. Various play features were no longer functioning. The senior bingo players had manual 'work arounds' but the machine was close to unusable. This all changed about 3 months ago when CPRD maintenance employee, Josh Danner, took it upon himself to attempt repairs.

Mr. Danner contacted the machines manufacturer in Cleveland, Ohio who referred him to the closest technical service office located in eastern Washington. The service office said something like "You're in Newberg, Oregon? Where's that? Oh, no, please don't make us come all the way out there! Describe the problems. Send photos. Maybe we can troubleshoot this together without a trip!". Thus started a multi-month repair process of iterative troubleshooting and repairs over phone and email. Intermittent connectors, burned out light bulbs, and a faulty printed circuit board assembly were replaced. About 3 weeks ago I bumped into 'Josh' at the center and asked him how it was going. He held up a small component part of an electronic switch and said "Cracked and not made anymore. BUT, I think I can repair it. I'm taking it home tonight and maybe I can superglue it to work. We'll see." I have not seen Mr. Danner since, but I have talked with the bingo players and they report that the bingo machine is working 'waaay' better which is a good thing because a replacement machine costs \$8,000 not including installation.

Josh Danner and the CPRD Maintenance Dept has demonstrated initiative, resourcefulness, and ingenuity that deserves recognition. These types of accomplishments are often overlooked, buried, and forgotten amid never-ending daily firefighting. So, we hope that the next time you see Mr. Danner or his boss, you congratulate them on an excellent accomplishment.

Sincerely,

Jim Talt
Newberg

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With our deepest gratitude,
we sincerely thank you for
your donation!

May your charity and loyalty
be returned in abundance
for years to come.

~ Antonia Crater PTO
2019

Subject: Form submission from: Contact Us

Date: Wednesday, January 1, 2020 at 12:24:21 PM Pacific Standard Time

From: Chehalem Park & Recreation District via Chehalem Park & Recreation District

To: Kat Ricker

Submitted on Wednesday, January 1, 2020 - 12:24pm

Submitted by anonymous user: 50.39.145.208

Submitted values are:

First Name: Angela

Last Name: Meshke

Email: arae2777@gmail.com

Question/Comment:

I have a concern regarding the dog park. I live on the edge of the disk golf course, and our back yard actually butts up to the course and is seperated by a fence. We have lived here long before this was ever a disc course. Long before the skate park was built. Since the dog park has be open, we have noticed a large number of stray dogs in our neighborhoods, almost on a daily basis. This is good part due to the fact that people let thier dogs run free in the field instead of using the off leash dog park. Additionally we have had dogs come into our back yard by pushing thru the fence. They run thru our garden, bark at the neighbors dog and chase cats. One of our cat was killed by a dog that was off leash in the disc golf corse.

As the people who are responsible for the parks, dont you think you should post more than 2 small signs that say that its not an off leash park?

I should not have to call the police every weekened multiple times to have them come down to address that sort of an issue.

That's not my job, thats yours. Furthermore, it does no good to call the police since by the time they get there the offenders are long gone.

There have been a number of times when I asked people to go to the off leash area becaue the disc course is not off leash. I have been yelled at, called names, threatened and had dirt thrown at me.

As a long time resident, I think that Newberg Parks should erect a barrrier fence between the trail around the course and the houses so we don't have to put up with that nonsense becaese you folks haven't done a thing to address the issue, nor have you taken into consideration how any of this affects the residents who have to deal with that day in and day out.

The results of this submission may be viewed at:

<https://www.cprdnewberg.org/node/7/submission/2741>

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Payment Report By Orchard

Galbier, Mark [GAIBM]
2019 Crop Year

| Lot Number | Date Received | Received Weight | Merchant Weight | Gross Value | Bonus Premium | Variety Premium | Jumbo Premium | Hauling Allowance | Clean/Dry Charges | O.H.C. Charge | Sorting Charge | Net Payment |
|-----------------------|---------------|-----------------|-----------------|-------------|---------------|-----------------|---------------|-------------------|-------------------|---------------|----------------|-------------|
| Chehalam [Barcelonal] | | | | | | | | | | | | |
| 29429 | 10/08/19 | 16,680.0 | 11,660.0 | \$9,677.80 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$764.61 | \$116.60 | \$0.00 | \$8,796.59 |
| 29438 | 10/09/19 | 14,780.0 | 9,345.0 | \$7,756.35 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$757.46 | \$93.45 | \$25.69 | \$6,879.75 |
| 29440 | 10/09/19 | 17,240.0 | 11,789.0 | \$9,794.87 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$797.64 | \$117.89 | \$0.00 | \$8,869.34 |
| 29441 | 10/09/19 | 7,400.0 | 5,132.0 | \$4,259.56 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$338.34 | \$51.32 | \$27.72 | \$3,842.18 |
| TOTALS: | | 56,100.0 | 37,926.0 | \$31,478.58 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$2,658.05 | \$379.26 | \$53.41 | \$28,387.86 |

Total Premiums: \$0.00

Total Charges: -\$3,037.31

SUMMARY BREAKDOWN

| Payee | Merchant Weight | Gross Value | Total Premiums | Hauling Allowance | Total Charges | Net Payment |
|------------------------------|-----------------|-------------|----------------|-------------------|---------------|-------------|
| Galbier, Mark [GAIBM] - 100% | 37,926.0 | \$31,478.58 | \$0.00 | \$0.00 | \$3,090.72 | \$28,387.86 |

Handwritten signature/initials in purple ink.

9,462.02 2019 crop share
 1,103.89 2018 Bonus

 10,566.51 Total Due

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Nomination for Regional Cooperative Project Award

Nominated by Don Clements

Recipient organization: Chehalem Park and Recreation District

Recipient individual: Don Clements, chairperson

In 1986, the City of Newberg manager, the Newberg School District superintendent, and Chehalem Park and Recreation District superintendent decided to meet once a month for lunch to discuss problems and how to work together to solve community problems. This went on for a few years and got results. In the late 1980s, and early '90s, we decided to formalize the meetings. Community meetings were held, and Chehalem Valley Future Focus was born. It is 30 years later, and the endeavor is still going. Today, it involves the original three, plus TVF&R, County of Yamhill Commissioners' Office, City of Dundee, and Portland Community College. Many benefits and projects have evolved from this effort. Many more are proposed. The group has worked on many joint community projects. My question is, why does not every community have Future Focus?

You are cordially invited to attend the
LOCAL GOVERNMENT DINNER

Thursday, February 20, 2020

Hosted by



**Chehalem Cultural Center—Grand Ballroom
415 E. Sheridan Street • Newberg, OR 97132**

6:00 p.m.—Social Time

6:30 p.m.—Dinner

GUEST SPEAKER:

Mary Beth Herkert, Director, Civics Education

Oregon Secretary of State Executive Office

**Please RSVP by
Friday, February 5th to:**

DawnKaren Bevill

DawnKaren.Bevill@newbergoregon.gov

503-537-1201

Make checks payable to:

City of Newberg

PO Box 970

Newberg, OR 97132

Braised Beef Tips

Cost: \$30/Person

Yamhill Mushroom Gravy

Ratatouille Penne Pasta

Boursin Mashed Potatoes

Seared Green Beans with Lemon

**Mixed Green Salad with Ranch &
Herb Vinaigrette**

**Roasted Vegetable & Feta Mixed
Grain Salad**

Banquet Cakes

Catered by Bon Appétit



503-537-2909
fax 503-538-9669
125 South Elliott Road
Newberg, OR 97132
cprdnewberg.org

December 14, 2019

To the Newberg School District Board of Directors:

Chehalem Park and Recreation District supports the proposed Newberg Environmental Education Continuum. The Board is impressed with the potential of the proposal to successfully meet its goals of improving equity in environmental education and sustainable school facilities.

While the full proposal is of interest, four particular aspects which appear to align with CPRD's interests are to

1. Increase outdoor learning opportunities;
2. Promote natural resources courses;
3. Increase opportunities for students to get involved in real-world, project-based, and community-supported ecological research, conservation restoration, and environmental education opportunities;
4. Upgrade school facilities to become environmentally sustainable and energy efficient.

CPRD is encouraged that this proposed program holds promise by the specificity of its budget, which includes state and federal grants, foundation grants, and business contributions; its defined implementation phases; and the mechanism for accountability, the Board structure.

CPRD has employed and partnered with Quentin Comus on projects, including interpretive signage along the trails at Chehalem Glenn Golf Course, and drone photography capture of parks and trails. Quentin has proven himself to be responsible, organized, and strong on initiative. We are confident to express support for this project in no small part because it is Quentin's latest proposal.

We wish the Newberg School Board to be aware that CPRD Board and staff endorses the continuum proposal. We support its aims of providing continued ecological restoration and additional collaboration on community initiatives.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Clements", written over a light blue horizontal line.

Don Clements, Superintendent

