

FILED
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FEB 26 2014
TASSI O'NEIL
COUNTY CLERK

BEFORE THE BOARD OF COUNTY COMMISSIONERS

FOR TILLAMOOK COUNTY, OREGON

In the Matter of Approving an Application for)
Real and Personal Property Tax Exemption for) ORDER #14-011
the Nestucca Valley Community Alliance)

This matter came before the Tillamook County Board of Commissioners on the 26th day of February, 2014, at the request of the Tillamook County Assessor. The Board of Commissioners, being fully apprised of the representations of the above-named person, the records and files herein, finds as follows:

1. On November 16, 2013, the Nestucca Valley Community Alliance, a 501(c)3 non-profit corporation entered into a Lease agreement with Tillamook Lightwave (an ORS Chapter 190 Intergovernmental Agency), to develop, manage and use real property owned by Tillamook Lightwave, described in the attached Lease agreement "Exhibit "A". The 90,126 square foot real property is known as Tillamook Lightwave IGA Lease Tract 'C', located in Pacific City, Oregon. The Lease agreement commenced on November 17, 2013 and continues through December 31, 2062.
2. On November 16, 2013, the Nestucca Valley Community Alliance entered into a License agreement with Tillamook Lightwave to develop and manage real property owned by Tillamook Lightwave, described in the attached License agreement "Exhibit "B". The 14,121 square foot real property is known as Tract 'A', located in Pacific City, Oregon. The agreement commenced on the day it was executed, November 16, 2013, and terminates on December 31, 2062.
3. The Nestucca Valley Community Alliance will use the combined properties as a community park with a picnic area, playground, and parking area.
4. On February 3, 2014, the Nestucca Valley Community Alliance filed an Application for Real and Personal Property Tax Exemption with the Tillamook County Assessor for these properties.
5. On February 26, 2014, in accordance with ORS 307.115, the Board reviewed the application at its regular staff meeting where the Board weighed the benefits to the general welfare of granting the proposed exemption to these parcels against the potential loss in revenue which will result from the granting of the application.

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6. The Board finds that a tax exemption for a ten-year period commencing with tax year 2014-2015 for this parcel is appropriate and should be granted at this time.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

7. The Nestucca Valley Community Alliance's application for a real and personal property tax exemption is hereby approved for a ten-year period commencing with tax year 2014-2015.

8. A copy of this Order shall be forwarded to the Tillamook County Assessor.

DATED THIS 26th DAY OF February, 2014.

THE BOARD OF COMMISSIONERS
FOR TILLAMOOK COUNTY, OREGON

Bill Baertlein
Bill Baertlein, Chairperson

Tim Josi
Tim Josi, Vice-Chairperson

Mark Labhart
Mark Labhart, Commissioner

Aye Nay Abstain/Absent

✓ 1

✓ 1

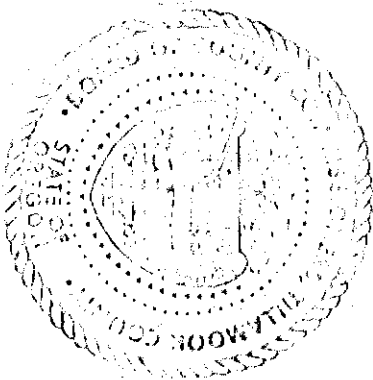
✓ 1

ATTEST: Tassi O'Neil, County Clerk

APPROVED AS TO FORM:

By: Susan L. Beecraft
Special Deputy

William K. Sargent
William K. Sargent, County Counsel



LEASE

This Lease, dated this 15th day of November, 2013 is made and entered into, in duplicate originals, by and between Tillamook Lightwave IGA, an ORS Chapter 190 Intergovernmental Agency (TLW) and the Nestucca Valley Community Alliance, an Oregon 501(c)3 non-profit corporation (Lessee).

RECITALS

Whereas, TLW is the owner of certain real property located in Pacific City, Oregon as more particularly shown as Tracts A, B, C, and "TLW" on the attached Exhibit "A", incorporated herein by reference.

Whereas, Lessee desires to develop, manage and use Tract C as shown on Exhibit "A" for certain public uses as more particularly set forth herein.

Whereas, TLW is willing to grant a lease for such public uses according to the terms, covenants and conditions contained herein, and provided such uses, including the timing of such uses are acceptable to TLW's lender and mortgage holder, TLC Federal Credit Union.

WITNESSETH

The mutual promises of each are given in exchange and as consideration for the promises of the other.

TLW and Lessee mutually covenant and agree as follows:

ARTICLE 1 – PREMISES

Section 1.01 – Description

TLW leases to Lessee, on the terms and conditions stated below, the real property as shown as Tract C on the attached Exhibit "A", and more particularly described on the attached Exhibit 'B', in Pacific City, Oregon.

Section 1.02 – Grant of Road Use

TLW hereby grants a non-exclusive right to Lessee to use the existing twenty (20) foot Roadway, as shown on the attached Exhibit A, for vehicular and pedestrian access to, over and across TLW's property. Lessee may also construct and use a connecting Driveway from the existing 20 foot Roadway over TLW's property to the leased premises in a location to be mutually agreed upon between the Parties. Lessee may not begin using such Roadway until TLW provides written approval for said Driveway construction by Lessee.

Section 1.03 – Use of Premises

Lessee shall use the premises for social, recreational, meeting and organized activities of Lessee and its licensees, including, but not limited to, a skate park, playgrounds, covered and open activity areas, outdoor amphitheater, interpretive center, overflow parking from the cape parking lot, access trail and trailhead parking for BLM access and, with prior written approval of TLW, other such related uses. Lessee has made its

own investigation of zoning and land use laws, rules and regulations to determine that it may use the leased property for the aforesaid purposes.

Section 1.04 – Conditions on Lessee for Use of Premises by Licensees and Others:

Whenever Lessee permits the use of the premises by licensees or others where alcoholic beverages are being served or are otherwise available, Lessee shall impose upon such licensee and others the following requirements:

- A. That permittee expressly agrees to indemnify and save the TLW Board and TLW, its officers, agents, member agencies, servants, and employees harmless from any and all claims, demands, loss, damages, injury, costs, attorneys' fees, expenses, causes of action, judgments, penalties, (contractual or otherwise) or liability of whatsoever nature and howsoever the same may be caused or may arise resulting directly or indirectly from the exercise of the Use Permit or the occupation of the premises herein permitted to be used or the premises to which the permittee, its agents, employees or lessees may have access by reason of this license.
- B. That permittee provide evidence of appropriate insurance for the term of the agreement, protecting the liabilities of TLW, the TLW Board, their officers, agents, member agencies, servants and employees from occurrences as to bodily injury liability and property damage. The permittee must name TLW and the TLW Board as certificate holder and additionally insured and provide not less than One Million Dollars (\$1,000,000) for injury to one (1) person, Two Million Dollars (\$2,000,000) for injuries arising out of one (1) occurrence and not less than Five Hundred Thousand Dollars (\$500,000) for property damage for one claimant and One Million Dollars (\$1,000,000) for property damage arising out of one (1) occurrence, providing however, the extent of the coverage shall never be less than the limits set under the Oregon Tort Claims Act by the Legislature for a municipal corporation.
- C. All vendors on the premises which sell alcohol for consumption shall be required to place on file a Certificate of Liquor Liability Insurance naming TLW and the TLW Board as certificate holder and additionally insured. A minimum coverage of \$1,000,000 per incident must be issued by an approved insurance carrier. The certificate must be placed on file with Lessee seven (7) working days before the scheduled event.
- D. For private parties (with invited guests only) intending to serve and not sell alcohol, a copy of the permittee's homeowner's insurance policy or other liability insurance must be on file at the time of signed the Use Permit.

ARTICLE II - TERM

Section 2.01 – Term

The term of this lease shall commence on the 17th day of November, 2013, and shall continue through December 31, 2062.

Section 2.02 - Right of First Refusal

Upon the expiration of the term of this lease, if Lessee is not then in default and has given notice as herein required, Lessee shall have the right of first refusal to lease the property described herein for three (3) additional fifteen (15) year periods upon such conditions, terms and rental amounts as TLW deems appropriate. Lessee shall give TLW written notice at least one hundred eighty days (180) before the expiration of this lease and any extension thereof of Lessee's interest in another lease term.

ARTICLE III - RENTAL

Section 3.01 – Rent

Lessee shall pay to TLW annual rent of ten (\$10.00) Dollars.

Section 3.02 - Time and Place of Rent Payment

Upon the effective date of this Lease, Lessee shall pay to TLW the full \$490 rent for the 49 year initial term, 201 Laurel Avenue, Tillamook, Oregon, 97141. Upon the effective date of any extension, Lessee shall pay to TLW the full amount of the rental for the period of the extension.

ARTICLE IV – LESSEE'S OBLIGATIONS

Section 4.01 - Construction of Improvements

Prior to any construction, alteration or changes upon the leased property, Lessee shall submit to TLW final plans and specifications, and shall not commence any construction until it has received written approval from TLW and its lender, TLC Federal Credit Union.

Section 4.02 – Maintenance

Lessee shall keep and maintain the leased premises and all improvements of any kind, which may be erected, installed or made thereon by Lessee, in good and substantial repair and condition, including the exterior thereof, and shall keep said property and the improvements thereon in a safe, orderly and clean condition. Lessee shall provide proper containers for trash and garbage and shall keep the leased property free and clear of rubbish, debris and litter at all times. TLW shall at all reasonable times during ordinary business hours with prior notice to Lessee have the right to enter upon and inspect such premises, to ascertain that the covenants herein are being complied with, and also for the purpose of leasing and/or sale of the property.

Section 4.03 - Title to Improvements

The Lessee shall have the right to make any improvements or additions to structures and land being leased, at Lessee's own expense with the consent of TLW and its lender, with such improvements or additions to become the property of the Lessee.

Section 4.04 – Liens

Lessee agrees to pay when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings machinery or equipment which have been furnished or ordered with Lessee's consent to be furnished to and for the Lessee in, upon or about the premises herein leased, which may be secured by any mechanics, materialmen or other liens against the premises herein leased or TLW's interest therein, and will cause each such lien to be fully

discharged and released at the time the performance of any obligation secured by any such lien matures or comes due, provided that the Lessee may in good faith contest any mechanics or other liens filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest so long as TLW's rights and interest in the property is not jeopardized.

Section 4.05 - Taxes, Assessments & Utilities

Lessee agrees to pay promptly when due and before the same is in default or delinquent all the following taxes, assessments, obligations and utilities:

- A. Charges for utilities furnished to the leased property including, but not limited to electricity, water and sewer.
- B. Taxes, charges and other assessments general or special, of every kind or nature whether now anticipated or not, levied, assessed, or imposed, by any and all governmental authorities upon the leased property and/or structures and improvements situated thereon, and which may hereafter be erected thereon.

ARTICLE V - INDEMNITY AND INSURANCE

Section 5.01 – Indemnity

Lessee agrees fully to indemnify, save harmless and defend TLW, its Board, officers, member agencies, employees and contractors (all referred to in this section and Section 5.02 collectively as TLW) from and against all claims and actions and all expenses incidental to the investigations and defense thereof, made or brought by any person, firm or corporation, based upon or arising directly or indirectly out of damages or injuries to their persons or their property, caused in whole or in part by acts of commission or omission of the Lessee, its subtenants, contractors, agents, employees, guests, licensees or business invitees in the use or occupancy of the property hereby leased, or work performed thereon; provided that TLW shall give to the Lessee prompt notice of any such claims or actions which come to the attention of TLW, and the Lessee shall investigate, compromise and defend same.

Section 5.02 – Insurance

Lessee further agrees at all times during the term hereof, at its own expense, to maintain, keep in effect, furnish and deliver to TLW, liability insurance policies in form and with an insurer satisfactory to TLW, insuring TLW against all liability for damages to person or property in or about said leased property arising from any claim, loss or liability based upon or arising directly or indirectly, by acts of commission or omission of Lessee, its subtenants, contractors, agents, employees, guests, licensees or business invitees in the use or occupancy of the leased property, or work performed thereon. The amount of said liability insurance shall not be less than One Million (\$1,000,000) Dollars for injury to one (1) person, Two Million (\$2,000,000) Dollars for personal injuries arising out of one (1) occurrence and not less than Five Hundred Thousand (\$500,000) Dollars for property damage by one claimant and One Million (\$1,000,000) Dollars for property damage by all claimants arising out of one occurrence, providing however, the extent of the coverage shall never be less than the limits set by the Oregon Legislature for a municipal corporation, or as may be determined by a court of

competent jurisdiction. In the event any court removes the limits of damages, the amount of insurance to be carried will be as set by agreement of the parties or by arbitration in the event agreement cannot be reached. The designation of the foregoing coverage is not a limitation on the extent of Lessee's obligations under this lease. Lessee agrees to and shall indemnify and hold TLW harmless from any and all claims and demands arising from the acts and conduct of the lessee, his subtenants, contractors, agents, employees, guests, licensees or business invitees, as well as those arising from Lessee's failure to comply with any covenant of this lease on his part to be performed, and Lessee shall at its own expense defend TLW against any and all suits or actions arising out of such acts and conduct, actual or alleged, and all appeals therefrom and shall satisfy and discharge any judgment which may be awarded against TLW in any such suit or action.

Section 5.03 - Waiver of Subrogation Rights

TLW shall not be liable to Lessee for any loss arising out of damage to or destruction of any property belonging to Lessee, or any improvement made on the leased property, when such loss is caused by any of the perils which are or could be insured against. All such claims for any and all loss, however caused, hereby are waived. Said absence of liability shall exist whether or not the damage or destruction is caused by negligence. It is the intention and agreement that Lessee shall fully provide its own insurance protection with respect to the leased property and improvements and personal property thereon, at its own expense, and look to its insurance carriers for reimbursement of any such loss, and further, that the insurance carriers involved shall not be entitled to subrogation under any circumstances against TLW.

ARTICLE VI - DEFAULT

Section 6.01 - Events of Default

Lessee shall be in default when any of the following exists:

- A. Default in Rent: Failure of Lessee to pay any rent, taxes, assessments or other charge within thirty (30) days after it is due.
- B. Default in Other Covenants: Failure of Lessee to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of rent, taxes, assessments or other charges) within thirty (30) days after written notice by TLW specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the thirty (30) day period, this provision shall be complied with if the Lessee begins correction of the default within the thirty (30) day period and thereafter proceed diligently and in good faith to affect the remedy as soon as possible.
- C. Insolvency: Insolvency of Lessee; an assignment by Lessee for the benefit of creditors; the filing by Lessee of a voluntary petition in bankruptcy; and adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; the filing of an involuntary petition of bankruptcy and failure of the Lessee to secure a dismissal of the petition within thirty (30) days after filing; attachment of or the levying of execution on the leasehold interest and

failure of the Lessee to secure discharge of the attachment or release of the levy of execution within ten (10) days.

- D. Assignment of Interest: An assignment, sale, gift, transfer, sublease or alienation in any manner of this lease, any interest therein, or interest in the property which is the subject of this lease.
- E. Failure to Use Premises: Failure of Lessee to actively undertake and continuously use the premises for the purposes designated in Section 1.02 preceding for a period of five years from the date of this Lease or thereafter for any continuous period of 90 days or longer.

Section 6.02 - Remedies on Default

In the event of a default, TLW at its option may terminate the Lease by notice in writing to Lessee. (Notice is not required for any default designated in Section 6.01A.) The notice may be given before or within thirty (30) days after the running of the grace period for default and may be included in a notice of failure of compliance. If the property is abandoned by Lessee in connection with a default, terminations shall be automatic and without notice.

- A. Reentry after Termination: If the lease is terminated for any reason, Lessee's liability to TLW for damages and attorneys fees as provided herein shall survive such termination, and the rights and obligations of the parties shall be as follows:
 - 1. Lessee shall vacate the property immediately, and subject to TLW's prior right to exercise its lien rights, remove any property of Lessee including any fixtures which Lessee is required to remove at the end of the lease term, perform any cleanup, alterations or other work required to leave the property in the condition required at the end of the term.

ARTICLE VII - TERMINATION

Section 7.01

Upon termination of the lease for any reason, Lessee shall surrender the leased property in good condition. Alterations constructed by the Lessee with permission from TLW shall not be removed or restored to the original condition unless the terms of permission for the alteration so permit. Any removal or restoration performed shall be performed by Lessee in conformity with the terms of the permit issued by TLW.

ARTICLE VIII - GENERAL PROVISIONS

Section 8.01 - Assignment of Interest

It is the intention and agreement of TLW and the Lessee that the rentals reserved by this lease have been fixed in contemplation of only Lessee's use and occupation of the leased property and the improvements constructed and to be constructed upon the leased property. Lessee shall not part with the possession of the leased property, nor shall Lessee or any assignee or other successor of Lessee in any manner, directly or indirectly, by operation of law or otherwise, sublease, sell, set over, assign, transfer,

lease or encumber the within described property or any part thereof, this lease or any of Lessee's right in or to this lease or any interest therein, nor license or permit the use of the rights herein granted, in whole or in part without the prior written consent of TLW.

Lessee shall not assign all or any part of its rights and interest under this lease to any successor to its business through merger, consolidation, or voluntary sale or transfer of substantially all of its assets, without prior written approval of TLW. TLW shall have the right to require a completely new lease with a proposed assignee of Lessee, as an alternative to granting consent to a sale, transfer, assignment or alienation of Lessee's complete interest in said leased premises or this lease.

Section 8.02 – Nonwaiver

Waiver by either party of strict performance of any provision of this lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

Section 8.03 - Attorneys Fees: Venue

In the event this lease is rescinded, or, in the event action is instituted or had to collect any sums payable under terms of this lease, (including any suit, action or proceedings instituted subsequent to any judgment, to discover assets, to satisfy any judgment and/or to reach equitable interest such as through a Creditors Bill action) to obtain or regain possession of the leased premises by Forcible Entry and Detainer proceedings, or otherwise, or to enforce any provision of this lease, or to protect, assert, or determine in any way either party's rights in or to said property, or to gain possession of said property, the prevailing shall be entitled to collect from the opposing party and any successors in interest, as part of the costs in such suit, action or proceedings, such sum as the judge of the court may adjudge reasonable as attorneys' fees; and, in the event of an appeal to an appellate court the prevailing party shall be entitled to recover such sum as reasonable attorneys fee as may be determined by such court. The venue of any action brought to enforce any term of this lease shall be in Tillamook County, Oregon. The parties waive any right to have any action transferred to federal court by reason of any diversity of citizenship of the parties.

Section 8.04 - Statutory Provisions

This Lease is subject to the provisions of the Oregon statutory public contracting provisions contained in ORS Chapter 279B, inclusive, which by this reference are incorporated herein as fully as though set forth verbatim, and Lessee shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167, and shall pay to all governmental entities and agencies all taxes, fees, withholding and other obligations accruing as part of operation of Lessee's business.

Section 8.05 - Waste: Compliance with all Laws: Burning

Lessee shall not permit or suffer the commission of any waste on the leased property or permit the same to be used for any purpose in violation of the state laws, federal laws, state or federal aviation, maritime or environmental rules and regulations, municipal ordinances, zoning, use and environmental laws, rules and regulations, rules and regulations of the County now or hereafter in force and applicable thereto. Lessee shall keep and maintain said premises and every part thereof in a clean condition. No

burning shall be permitted on the leased premises without obtaining written permission from the appropriate regulatory bodies authorized to issue burning permits.

Section 8.06 - Time of Essence

It is mutually agreed that time is of the essence in the performance of all covenants and conditions to be kept and performed under the terms of this lease.

Section 8.07 - Warranties/Guarantees

TLW makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the leased property, and it is agreed that TLW will not be responsible for any loss, damage or costs which may be incurred by Lessee by reason of any such physical condition. The parties agree that neither TLW nor any agent, employee or representative of TLW has made any representation of any kind, written or oral, not contained within this lease, (a) pertaining to the physical condition of the premises leased, (b) promising to make repairs to premises, (c) promising to construct any improvement on the premises, (d) promising to make a loan to Lessee, or (e) promising to obtain for Lessee, or assist Lessee, in obtaining financing through private or public sources for Lessee's business or personally. The parties further agree that the entire agreement regarding these premises between the parties is set forth in this lease, and that there are no side agreements or commitments, written or oral, between the parties, other than that specifically set forth in this lease.

Section 8.08 – Headings

The article and section headings contained herein are for convenience in reference and not intended to define or limit the scope of any provisions of this lease.

Section 8.09 - Consent of TLW

Whenever TLW's consent is required hereunder, it shall be in writing and shall contain all terms designated by TLW as conditions to giving consent. Lessor shall use commercially reasonable discretion in its determination to grant or deny consent to any request.

Section 8.10 – Notices

All notices required under the Lease shall be deemed to be properly served if personally presented to Lessee, or if sent by certified mail to TLW at the Tillamook County Board of Commissioners, Tillamook County Courthouse, 201 Laurel Avenue, Tillamook, Oregon, 97141, and to Lessee at PO Box 253, Pacific City, OR 97135. Date of service of such notice is date such notice is personally delivered or is deposited in a post office of the United States Post Office Department, postage prepaid, and addressed as hereinabove provided.

Section 8.11 – Modification

Modification of the Lease as to term, area or for any other provision, or consent to an assignment or transfer of interest may at the option of TLW result in an increase in the rental.

Section 8.12 – Fixtures

- A. Subject to other terms of this lease, and to TLW's exercise of its lien rights under Section 4.04 preceding, at the end of the term of this lease or at the time of its early termination by default or otherwise, the Lessee shall remove all furnishings, furniture and trade fixtures which remain the property of Lessee and shall repair any physical damage resulting from the removal. If the Lessee fails to do so, this shall be an abandonment of the property, and TLW may retain the property and all rights of the Lessee with respect to it shall cease or, by notice in writing given to Lessee within ten (10) days after removal was required, TLW may elect to hold the Lessee to his obligation of removal. If TLW elects to require the Lessee to remove, TLW may effect a removal and place the property in public storage for the Lessee's account. The Lessee shall be liable to TLW for the cost of removal, transportation to storage, and storage, with interest at eighteen percent per annum on all such expenses from the date of expenditure by TLW.
- B. The time for removal of any property or fixtures which the Lessee is required to remove from the leased property upon termination shall be as follows:
1. On or before the date the Lease terminates because of expiration of the original or a renewal term or because of default.
 2. Within 10 days after notice from TLW requiring such removal where the property to be removed is a fixture which the Lessee is not required to remove except after such notice by TLW, and such date would fall after the date on which the Lessee would be required to remove other property.
 3. Removal of improvements at the option of TLW at the termination of the Lease shall be within 10 days after termination.

Section 8.13 - Construction of Terms in Lease

In construing this lease, it is understood that TLW or Lessee may be more than one person or a corporation; that if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals. The law of the State of Oregon shall be applied in the interpretation and construction of this lease. Provided, however, the statute of limitations for enforcing any right under this lease shall be six years as provided in contract actions in general.

Section 8.14 - Disposition of Building Upon Lease Termination

At the end of the term hereof, the building located upon the subject premises may be sold by the Lessee, allowing TLW first right of refusal. If the property is not sold within 90 days, TLW may purchase the building at the fair market value. If the parties cannot agree upon the fair market value, then each party shall appoint an appraiser. If the two (2) persons so appointed cannot agree upon a fair market value, they shall jointly appoint a third (3rd) person and the fair market value agreed upon between any two (2) of the three (3) persons appointed shall be the fair market value to be paid by TLW.

8.15 Savings

Should any clause or section of this Lease be declared by a court to be void or voidable, the remainder of this Lease shall remain in full force and effect.

8.16 Legal Representation

In entering into this agreement, each party has relied solely upon the advice of their own attorney. Each party has had the opportunity to consult with counsel or now waives that right. Each party represents and warrants to the other that they are fully satisfied with the representation received from their respective attorneys.

Acknowledgment: EACH PARTY REPRESENTS TO THE OTHER BY THEIR SIGNATURES BELOW THAT EACH HAS READ, UNDERSTANDS, AND AGREES TO ALL COVENANTS, TERMS AND CONDITIONS OF THIS AGREEMENT. EACH PARTY REPRESENTS TO THE OTHER TO HAVE THE ACTUAL AND/OR APPARENT AUTHORITY TO BIND THEIR RESPECTIVE LEGAL PERSONS, CORPORATE OR OTHERWISE, IN CONTRACT.


IN WITNESS WHEREOF, the parties hereto have subscribed their names the day and year first herein written.

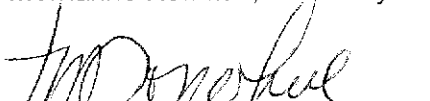
DATED THIS 16th DAY OF NOVEMBER, 2013.

LESSEE: Nestucca Valley Community Alliance


Gloria Scullin, President


Paul Carlson, Vice-President


Merrienne Hoffman, Secretary


Thomas Donohue, Treasurer

LESSOR: TILLAMOOK LIGHTWAVE IGA

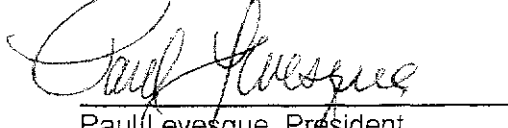

Paul Levesque, President

EXHIBIT "A"

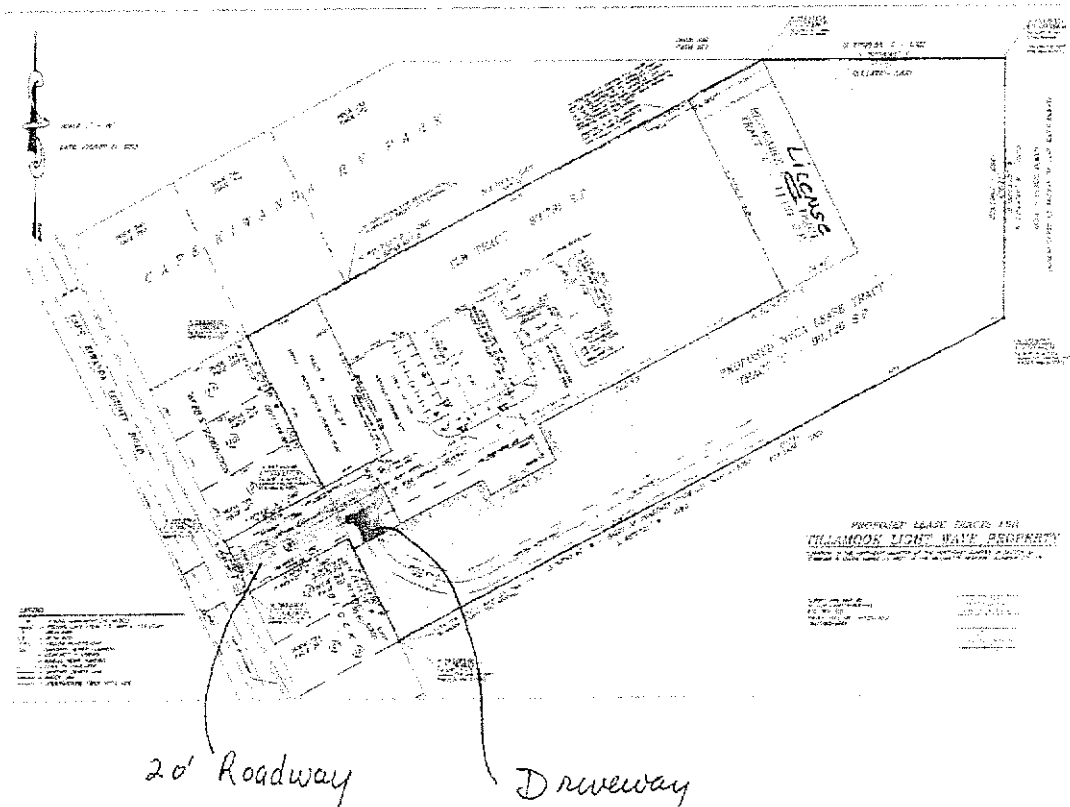


EXHIBIT 'B'

**LEGAL DESCRIPTION FOR:
TILLAMOOK LIGHTWAVE IGA
LEASE TRACT 'C' – 90,126 Sq.Ft.
November 5, 2013**

A tract of land lying in the Northeast Quarter of the Northeast Quarter of Section 24, Township 4 South, Range 11 West of the Willamette Meridian, Tillamook County, Oregon, said tract being a portion of that certain tract of land conveyed to Tillamook Lightwave IGA, by deed recorded as Instrument No. 2010-3209, Clerk's Records of Tillamook County, Oregon, recorded on June 4, 2010, said portion being more particularly described as follows:

Beginning at the Southwest corner of the above described Tillamook Lightwave Tract, said point also being the Southeasterly corner of Lot 6, Block 5, Webb's Subdivision in the aforesaid Northeast Quarter of the Northeast Quarter of Section 24; and running thence North 62°45'40" East, along the Southerly boundary of said Tillamook Lightwave tract, a distance of 607.61 feet to the Southeasterly corner of said tract; thence North 00°13'25" East, along the Easterly boundary of said Tillamook Lightwave tract, a distance of 226.13 feet to an iron rod at the Northeasterly corner thereof; thence South 89°58'45" West, along the Northerly boundary of said Tillamook Lightwave tract, a distance of 217.22 feet to an iron rod at an angle point therein; thence South 27°17'00" East 189.60 feet; thence South 62°43'00" West 322.98 feet; thence South 27°17'00" East 35.00 feet; thence South 62°43'00" West 66.00 feet; thence North 27°17'00" West 15.00 feet; thence South 62°43'00" West 130.00 feet to a point of intersection in the Easterly line of Lot 7, Block 5, Webb's Subdivision; thence South 27°17'00" East, along said Easterly line of Block 5, a distance of 90.00 feet to the point of beginning.

LICENSE AGREEMENT

This Agreement is made and entered into, in duplicate originals, by and between Tillamook Lightwave IGA, an ORS Chapter 190 Intergovernmental Agency (TLW) and the Nestucca Valley Community Alliance, an Oregon 501(c)3 non-profit corporation (Licensee).

RECITALS

Whereas, TLW is the owner of certain real property located in Pacific City, Oregon as more particularly shown as Tracts A, B, C, and "TLW" on the attached Exhibit "A", incorporated herein by reference.

Whereas, TLW is presently using, or has future use planned for Tract TLW and possibly Tract A as part of TLW's fiber optic business operations (the "Property").

Whereas, Licensee desires to develop, manage and use Tract A as shown on Exhibit "A" for certain public uses as more particularly set forth herein.

Whereas, TLW is willing to grant a license to Licensee for such public uses according to the terms, covenants and conditions contained herein and provided such uses, including the timing of such uses are acceptable to TLW's lender and mortgage holder, TLC Federal Credit Union.

WITNESSETH

The mutual promises of each are given in exchange and as consideration for the promises of the other.

TLW AND LICENSEE MUTUALLY COVENENT AND AGREE AS FOLLOWS:

1. Upon the execution of this Agreement by both parties, TLW grants its permission to Licensee to use Tract A as shown on the attached Exhibit A and as more particularly described on the attached Exhibit B.
2. USE BY LICENSEE
 - 2.1. Licensee may, at Licensee's sole expense, use the hereinabove described real property for public parking, a playground, outdoor amphitheater or such other legal public uses that do not involve the placement or construction of any permanent structure, fixture or improvement.
 - 2.2. Prior to undertaking any use of the property which would alter or modify soils, vegetation or land features or involve the planting of trees or other plant material, Licensee shall first submit a written plan to the TLW Board of Directors to secure written approval of the project.

- 2.3. In conducting its activities and uses, Licensee shall perform all reasonably necessary measures to protect adjoining areas, streams, roads and landowners.
- 2.4. Licensee shall obtain and maintain all Federal, State, County and City permits and licenses required for lawful operations of Licensee's activities and uses. Licensee at all times, shall observe and comply with all Federal, State, County and local laws, ordinances and regulations which in any manner affect the activities of Licensee under the Agreement.
- 2.5. TLW shall at all times be allowed access to all parts of Licensee's operations on the premises. Licensee or its designated representatives shall furnish such information and assistance as may be required to TLW to make complete and detailed inspections.

3. INDEMNITY AND INSURANCE

- 3.1. Licensee further agrees at all times during the term hereof, at its own expense, to maintain, keep in effect, furnish and deliver to TLW, liability insurance policies in form and with an insurer satisfactory to TLW, insuring TLW against all liability for damages to person and property in or about said property arising from any claim, loss or liability based upon or arising directly or indirectly from acts of commission or omission of Licensee, its contractors, agents, employees, guests, licensees or business invitees in the use or occupancy of the property, or work performed thereon. The amount of said liability insurance shall not be less than One Million (\$1,000,000) Dollars for injury to one (1) person, Two Million (\$2,000,000) Dollars for injuries arising out of one (1) occurrence and not less than Five Hundred Thousand (\$500,000) Dollars for property damage for one claimant and One Million (\$1,000,000) for all claimants for property damage arising out of one occurrence, providing however, the extent of the coverage shall never be less than the limits set under the Oregon Tort Claims Act by the Legislature for a municipal corporation, or as may be determined by a Court of competent jurisdiction. In the event any Court removes the limits of damages, the amount of insurance to be carried will be as set by agreement or the parties or by arbitration in the event agreement cannot be reached.
- 3.2. The designation of the foregoing coverage is not a limitation on the extent of Licensee's obligations under this Agreement. Licensee agrees to and shall indemnify and hold TLW harmless from any and all claims and demands arising from the acts and conduct of Licensee, its contractors, agents, employees, guests, licensees or business invitees, as well as those arising from Licensee's failure to comply with any covenant of this Agreement on its part to be performed, and Licensee shall, at its own expense, defend TLW against any and all suits or actions arising out of such acts and conduct actual or alleged, and all appeals there from, and

shall satisfy and discharge any judgment which may be awarded against TLW in such suit or action.

4. VIOLATIONS OF AGREEMENT

- 4.1. If Licensee violates any of the provisions of this Agreement, TLW may, after giving written notice, suspend any further operations of Licensee under this Agreement, except such operation as may be necessary to remedy any violations.
- 4.2. If Licensee fails to remedy any of the violations of this Agreement within ten (10) days after receipt of the suspension notice given under this section, the TLW may, by written notice, cancel this Agreement.

5. TERM

- 5.1. The term of this license shall be from the date upon which it is fully executed by the parties to December 31, 2062, unless sooner terminated pursuant to the provisions of paragraph 7 of this Agreement.
- 5.2. After the first five-year period that this Agreement is in effect and following each five-year period thereafter that this Agreement remains in effect, the parties will meet to discuss TLW's future business needs for Tract A and whether this License Agreement could be converted to a long-term lease agreement.

6. SCOPE OF USE

- 6.1. Licensee agrees that its privileges under this Agreement are personal, exclusive, revocable and non-transferable by assignment, sub-license or operation of law. TLW has title to the above-described real property. Licensee will never assail or resist said title or claim any interest or estate whatever in said real property, by virtue of this Agreement or the exercise of its privileges given. TLW shall not be restricted in its use of such real property or adjacent lands, except as herein provided.

7. TERMINATION

This Agreement and license shall terminate:

- 7.1. Upon the request of TLW or Licensee, after giving the other party thirty (30) days advance notice in writing; or
- 7.2. In accordance with Section 4 for failure of Licensee to correct a violation of this Agreement.
- 7.3. TLW's right of termination may be exercised regardless of the fact that Licensee has expended money in its use under this license Agreement.

8. GENERAL PROVISIONS

8.1. WAIVER; MODIFICATION

8.1.1. Failure by TLW to enforce any provision of this Agreement does not constitute TLW's continuing waiver of that provision, any other provision or of the entire Agreement. The rights and duties under this Agreement shall not be modified, delegated, transferred or assigned, except upon the written-signed consent of both parties.

8.2. ATTORNEYS' FEES

8.2.1. Attorney fees, costs and disbursements necessary to enforce this Agreement through mediation, arbitration and/or litigation, including appeals, shall be awarded to the prevailing party, unless otherwise specified herein or agreed.

8.3. LEGAL REPRESENTATION

8.3.1. In entering into this Agreement, each party has relied solely upon the advice of their own attorney. Each party has had the opportunity to consult with counsel or now waives that right. Each party represents and warrants to the other that they are fully satisfied with the representation received from their respective attorneys.

8.4. NOTICES

8.4.1. Any notice required or permitted under this Agreement shall be in writing and deemed given when:

- 8.4.1.1. actually delivered, or
- 8.4.1.2. three (3) days after deposit in United States certified mail, postage prepaid, addressed to the other party at their last known address.

8.5. LANGUAGE

8.5.1. The headings of the Agreement paragraphs are intended for information only and shall not be used to interpret paragraph contents. All masculine, feminine and neuter genders are interchangeable. All singular and plural nouns are interchangeable, unless the context requires otherwise.

8.6. INTEGRATION

8.6.1. This Agreement supersedes all prior oral or written Agreements between TLW and Licensee regarding this Property. It represents the

entire Agreement between the parties. Time is of the essence in all terms, provisions, covenants and conditions in this Agreement.

8.7. SAVINGS

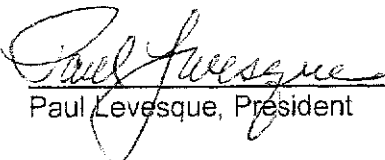
8.7.1. Should any clause or section of this Agreement be declared by a Court to be void or voidable, the remainder of this Agreement shall remain in full force and effect.

8.8. JURISDICTION; LAW

8.8.1. This Agreement is executed in the State of Oregon and is subject to Tillamook County and Oregon law and jurisdiction. Venue shall be in Tillamook County, Oregon, unless otherwise agreed by the parties.

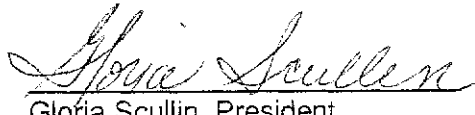
IN WITNESS WHEREOF, TLW and Licensee have executed this Agreement this 16th day of November 2013.

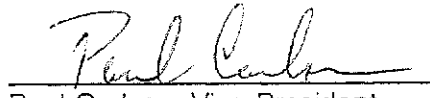
Tillamook Lightwave IGA

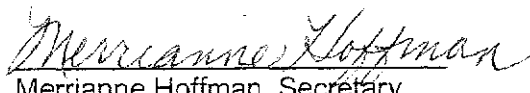

Paul Levesque, President

Licensee:

Nestucca Valley Community Alliance


Gloria Scullin, President


Paul Carlson, Vice-President


Merrienne Hoffman, Secretary


Thomas Donohue, Treasurer

EXHIBIT A

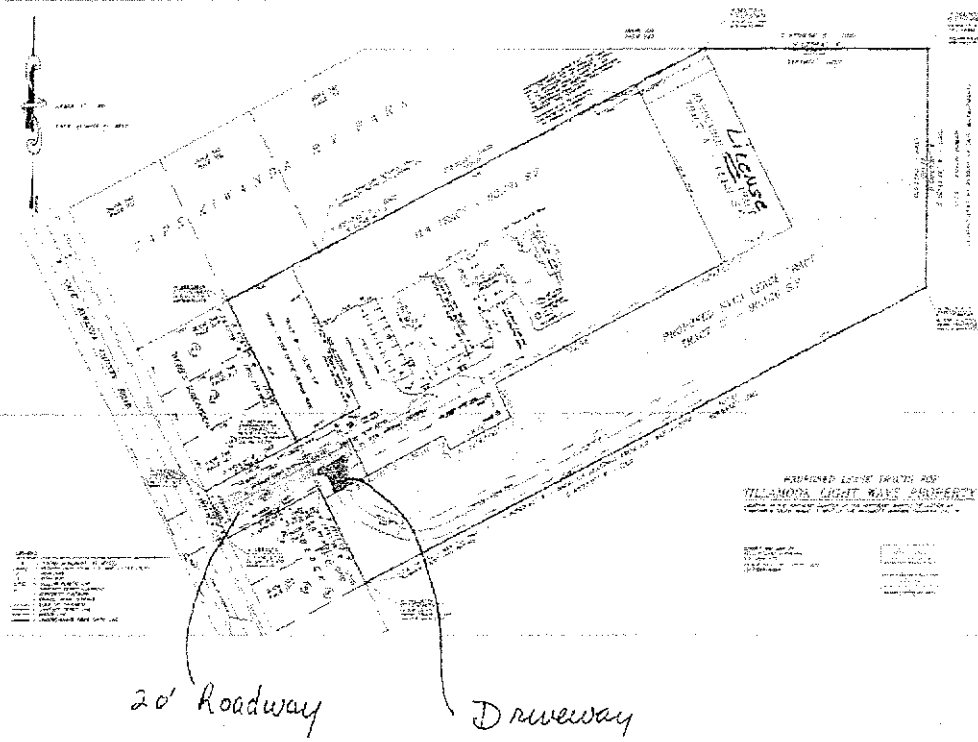


EXHIBIT 'B'

**LEGAL DESCRIPTION FOR:
TILLAMOOK LIGHTWAVE IGA
LICENSE TRACT 'A' – 14,121 Sq.Ft.
November 5, 2013**

A tract of land lying in the Northeast Quarter of the Northeast Quarter of Section 24, Township 4 South, Range 11 West of the Willamette Meridian, Tillamook County, Oregon, said tract being a portion of that certain tract of land conveyed to Tillamook Lightwave IGA, by deed recorded as Instrument No. 2010-3209, Clerk's Records of Tillamook County, Oregon, recorded on June 4, 2010, said portion being more particularly described as follows:

Beginning at the Northwest corner of the above described Tillamook Lightwave Tract, said point also being the Northeasterly corner of Lot 11, Block 5, Webb's Subdivision in the aforesaid Northeast Quarter of the Northeast Quarter of Section 24; thence North 62°45'40" East, along the Northerly boundary of said Tillamook Lightwave tract, a distance of 444.50 feet to the True Point of Beginning of the herein described tract; and running thence North 62°45'40" East, along said Northerly boundary of the Tillamook Lightwave tract, a distance of 74.47 feet to an iron rod at an angle point therein; thence South 27°17'00" East a distance of 189.60 feet; thence South 62°43'00" West 74.47 feet; thence North 27°17'00" West 189.66 feet to the True Point of Beginning.