

Agenda

Shady Cove Regular City Council Meeting

Shady Cove City Council Chambers
22451 Highway 62, Shady Cove, Oregon
Thursday, December 5, 2019
6:00 p.m.

I. Call to Order

- A. Roll Call
- B. Pledge of Allegiance
- C. Announcements by Presiding Officer

- 1. This meeting is being digitally recorded.
- 2. The next regularly scheduled meeting of the Planning Commission will be December 12, 2019, at 6:00 PM in the Council Chambers.
- 3. The next meeting of the City Council will be December 19, 2019, at 6:00 PM in the Council Chambers.
- 4. Public may comment on agenda items – Public must state name, address and standing to discuss an issue. Issues must have a City-wide impact and not be personal issues.

II. Consent Calendar

- A. Regular Meeting Minutes of November 21, 2019

III. Presentations

- A. Presentation of Annual Audit

IV. Written Communication

None.

V. Staff Reports

- A. Bills Paid Report, 11/13/19 – 11/26/19 - \$5,039.71
- B. City Administrator
- C. Jackson County Deputy

VI. Old Business

- A. City Goals 2020-2021

B. Photography Contest

VII. New Business

A. Renewal of Shop Lease – Celtic Circle

VIII. Public Comment on Non-Agenda Items

IX. Council Comments on Non-Agenda Items

A. Mayor Richardson – RVCOG

B. Councilor Mitchell – RVACT & Parks and Recreation Commission

C. Councilor McGregor – SOREDI

D. Councilor Hohenstein – Planning Commission

E. Councilor Tarvin

X. Adjournment

City of Shady Cove
City Council Regular Meeting Minutes
Thursday, November 21, 2019

CALL TO ORDER

Mayor Richardson called the Regular City Council Meeting to order at 6:00 p.m. in the City Council Chambers.

Council Present: Mayor Richardson, Councilor Mitchell, Councilor McGregor, Councilor Tarvin, and Councilor Hohenstein

Staff Present: Thomas J. Corrigan, City Administrator

ANNOUNCEMENTS

The Mayor led the audience in the Pledge of Allegiance.
Mayor Richardson made two changes to the agenda. Items 3 and 4 were exchanged. Item 7B was tabled until more information had been received.

PUBLIC COMMENT

None.

CONSENT CALENDAR

Regular Meeting Minutes of November 7, 2019

Motion to Accept the Minutes of the Regular Council Meeting November 7, 2019, with Corrections

Motion: Councilor Mitchell

Second: Councilor Hohenstein

All Ayes. Motion carried 5-0

PRESENTATIONS

Two students from the Shady Cove School received awards from the Mayor and Council.

David Sweem presented Bailey Wood, and discussed his attributes for achieving a Growth Mindset award.

Heather Neely presented Lillian Wade, 5th grader, and listed her contributions to receiving the Growth Mindset Award.

Mayor and Council commended both students for their outstanding work. Goebel's Country Store donated gift certificates to each student and were presented.

WRITTEN COMMUNICATION

A letter from John Burgess was read.

STAFF REPORTS

Motion to Accept the Bills Paid Report for 10/26/2019, to 11/12/19

Motion: Councilor Hohenstein

Second: Councilor McGregor

Motion carried 4-1 (Nay - Councilor Tarvin)

City Administrator

- Cleveland St work in punch list phase, school signed off
- Mail box improvements on Rene Dr. moving along
- Rogue River Dr water line work suspended by County
- RVSS beginning first 4 areas of work after smoke testing
- Thanksgiving Day and day after City Hall closed
- CIS Best Practices, online training, signed up?
- County showed that compression is not a concern for the jail district
- Leaf trailer settling down, burn days allowed
- Multiple complaints in regard to leaves being pushed into the streets and river
- Oregon Housing Initiative mtg
- Website email tested three times, all working
- Volunteer Appreciation Dinner responses due 11/30
- Tree Lighting 12/6
- The Insider is out!
- The hemp distribution location had been denied by the Planning Commmsion and no activity was noted at the location according to Deputy Friend.
- Councilor Hohenstein commented on the degradation of the river by dumping.
- Councilor Tarvin questioned the 2 trailers to be moved and the status.
- A complaint was received on a residence. Councilor Mitchell suggested to review any lendor information.

No Deputy was present for the meeting.
Fire District 4 Chief Winfrey gave his report.

OLD BUSINESS

A. City Goals – 2020-2021

Discussion ensued.

The City Administrator worked with several of the Council to condense down the City Goals previously discussed. The Council will now prioritize these goals and send to the City Administrator by December 10.

NEW BUSINESS

A. Approval of Sheriff's Agreement Updated with CSO

Discussion ensued. Costs were reviewed.

Motion to Approve the Intergovernmental Agreement between Jackson County and the City of Shady Cove Relating to Law Enforcement Services as amended.

Motion: Councilor Hohenstein
All Ayes. Motion carried 5-0

Second: Councilor McGregor

B. Photography Contest

Discussion Ensued. Item tabled. Council will revisit this after receiving additional input.

C. Recommendation from Planning Commission – Appointment of Chet Krupa

Discussion Ensued.

Motion to Appoint Chet Krupa to the Planning Commission for the term of four years

Motion: Councilor Hohenstein
All Ayes. Motion carried 5-0

Second: Councilor McGregor

PUBLIC COMMENT

None

COUNCIL COMMENTS

Mayor Richardson spoke to Representative Breese-Iverson in regard to topics relative to our City. The Mayor described the presentation from Heather Neely's 5th grade class in regard to problems in the world and how they would fix it. All stories covered well in the Upper Rogue Independent. The City has a tree lighting on December 6. Emergency Management Commission still needs members. The Mayor appreciated everyone coming out tonight.

Councilor Mitchell noted that RVACT has not had a recent meeting. He also commented on the School Halloween night.

Councilor McGregor said that SOREDI has not had a lot of activity. He has not received any information from them.

Councilor Hohenstein commented on the encouragement from the local woodworkers. Enthusiam is high. He further commented on the degradation of the river by leaves and grass tossed into it. He spoke on federal money for forest restoration.

Councilor Tarvin thanked Chet Krupa for volunteering and wished him well. She also wanted Commissioner Robert's comments to go into public record. She further spoke if people would take a moment to think about the recent tragedy. There is a memorial tomorrow at the County park.

ADJOURNMENT

There being no further business before the Council, the Mayor adjourned the regular meeting at 7:35 PM.

Approved:

Attest:

Lena Richardson
Mayor

Thomas J. Corrigan
City Administrator

Council Vote:
Mayor Richardson
Councilor Mitchell
Councilor McGregor
Councilor Tarvin
Councilor Hohenstein

DRAFT

The following is submitted as a Written Communication to be read aloud at the November 21st Shady Cove City Council meeting.

In the November 7th City Council meeting Mayor Richardson took the unusual step of reading a statement expressing what she considers "comments hurtful" to the well being of the city. Her assumption was that I had already met personally with County Commissioner Colleen Roberts surrounding the city's effort to obtain control of the Regional Park. That assumption is wrong. No such meeting took place and Commissioner Roberts has informed you of that fact.

My concern about the city's ability to successfully manage the park date to February 20th, 2019 when I expressed my concerns via email to Commissioner Roberts. Perhaps your FOIA request did not include that period so you will find a copy below.

John Burgess

Rogue Forest Restoration Partnership



Please join us at two Community Meetings to learn about upcoming restoration projects in the Applegate Valley

The Rogue Forest Restoration Partnership (RFRP) – a collaboration between state and federal agencies, and local non-profits – is launching a multi-year forest restoration initiative at six sites across the Rogue Valley. This work is funded largely through a \$6 million grant from the Oregon Watershed Enhancement Board, with state lottery dollars.

The Applegate community is invited to join representatives from RFRP to learn about the three project sites in the Applegate Valley. We are excited to share how this initiative will make our forests, watersheds and communities healthier and more resilient. This is a great opportunity to learn more and ask questions.

December 2, 2019

Project Overview

Community Meeting

6-8pm at

Applegate Lodge

15100 OR-238, Applegate, OR

At this meeting, RFRP partners will present an overview of the three Applegate Valley projects, and answer questions.

December 11, 2019

Multi-Party Monitoring

Community Meeting

4-6pm at

Applegate Valley Fire District #9

1095 Upper Applegate Rd, Jacksonville, OR

Partners will share the collaborative monitoring framework, invite engagement with the ongoing process, and consider ideas for additional co-investments in monitoring.

No RSVP is necessary and both meetings are open to all community members.

For questions please contact: Terry Fairbanks, tfairbanks@sofrc.org.

Learn more about the Rogue Forest Restoration Partnership at www.rogueforestpartners.org



Oregon's New Housing Initiatives: How Will They Affect Our Communities?

Tuesday, December 10th, 7 pm - 9 pm

Jackson County Public Library – Medford Branch
205 S Central Ave, Medford, OR 97501

Parking is located on-site
Front Street Transit Station is located one block west of the meeting location.

Special accommodations are available, upon request, for persons with disabilities or those needing sign language interpretation, or languages other than English. Please contact housing.dlcd@state.or.us up to 48 hours in advance to request accommodations.



Join Department of Land Conservation and Development (DLCD) staff and local leaders to discuss new housing initiatives in Oregon. DLCD is holding roundtable discussions to collect guidance and hear concerns from affected communities as the state advances our shared work to encourage a variety of housing types to provide residents more diverse housing choices.

Why now? The Oregon Legislature passed two significant housing bills in the 2019 legislative session – House Bill 2001 and 2003. The Legislature passed these bills to provide additional housing choices and to help ensure housing production.

Purpose – DLCD will provide community members and city staff information about two new housing bills and receive community guidance on issues that should be considered early in the process.

Contacts:

Ethan Stuckmayer
DLCD Senior Housing Planner
ethan.stuckmayer@state.or.us
503-934-0619

Josh LeBombard
DLCD Regional Representative
jlebombard@state.or.us
(541) 414-7932

More information – look for “Latest News and Events” on the DLCD website: www.oregon.gov/LCD
Written comments are welcomed: housing.dlcd@state.or.us

For information on other DLCD housing-related community events through early 2020, see the Housing page on DLCD's website.
Sign up on DLCD's website to receive updates on housing as this work progresses.



**MEASURE 5 GAP
ESTIMATE
FY 19-20**

Taxes Subject to \$10/1000 Local Government Limitation													
CITY (tax code)	CITY/LED	COUNTY	LIBRARY	4-H	VECTOR	RVID	FIRE	DIST	SOIL/WATER	LOC LEVY	CITY	UR	TOTAL
CENTRAL POINT (4949)	4.3651	1.9628	0.5078	0.0401	0.0419	0.3031	3.0462	0.0489	0	0	0.2674	0	10.5833
WHITE CITY (924)	2.3211	2.0099	0.52	0.041	0.0429	0.3072	3.1194	0.05	0	0	0	0	8.4115
TALENT (2206)	2.7745	1.7256	0.4465	0.0352	0.0369	0.2822	2.7447	0.043	0	0	2.1045	0	10.1931
BUTTE FALLS (9101)	7.2494	2.0099	0.52	0.041	0.0429	0	0	0.05	0	0	0	0	9.9132
GOLD HILL (601)	1.6792	2.0099	0.52	0.041	0.0429	0	3.1194	0.05	0	0	0	0	7.4624
EAGLE POINT (901)	2.4584	2.0099	0.52	0.041	0.0429	0	3.1194	0.05	0	0	0	0	8.2416
PHOENIX (419)	3.2665	1.8005	0.4659	0.0368	0.0385	0.2888	2.8644	0.0483	0	0	1.5926	0	10.3988
MEDFORD (4901)	5.1085	1.939	0.5017	0.0396	0.0414	0.301	0	0.0483	0	0	0.4947	0	8.4742
ROGUE RIVER (3501)	3.1492	2.0099	0.52	0.041	0.0429	0	1.9313	0.05	0	0.75	0	0	8.4943
SHADY COVE (915)	0.5474	2.0099	0.52	0.041	0.0429	0	2.0181	0.05	0	0	0	0	5.2293
ASHLAND (501)	4.2865	2.0099	0.52	0.041	0.0429	0.3072	0	0.05	0	1.29	0	0	8.5475
JACKSONVILLE (102)	1.6530	1.8039	0.4668	0.0368	0.0386	0.2891	0	0.0449	0	0	1.0324	0	5.3655

CITY (District ID)	M5 VALUE	M5 Limit	TAV	M50 Limit	Gap	TOTAL LOSS DUE TO COMPRESSION
CENTRAL POINT (220)	1,965,776.706	19,657,767	1,375,532,430	14,291	3,7077	\$27,760.03
WHITE CITY (140)	1,092,629,216	10,926,292	815,852,724	13,3925	4,9810	\$117.86
TALENT (300)	644,409,592	6,444,096	430,597,876	14,9655	4,7724	\$1,222.67
BUTTE FALLS (210)	22,969,566	229,696	18,163,028	12,6463	2,7331	\$65.07
GOLD HILL (240)	117,606,850	1,176,069	83,752,472	14,0422	6,5798	\$9.17
EAGLE POINT (230)	1,058,012,841	10,580,128	738,930,152	14,3182	6,0766	\$43.49
PHOENIX (270)	531,977,764	5,319,778	356,488,623	14,9227	4,5239	\$3,995.51
MEDFORD (260)	11,150,428,769	111,504,288	8,031,798,136	13,8829	5,4087	\$193.23
ROGUE RIVER (280)	347,516,317	3,475,163	186,276,325	18,656	10,1617	\$8.31
SHADY COVE (290)	375,145,944	3,751,459	288,604,911	12,9986	7,7693	\$0.19
ASHLAND (200)	4,348,938,705	43,489,387	2,832,483,073	15,3538	6,8063	\$10.59
JACKSONVILLE (250)	735,424,166	7,354,242	484,232,188	15,1874	9,8219	\$0.04
Jackson County	31,533,925,326	315,339,253	21,859,437,762	14,4258		\$15,924.02

M5 Value = RMV less adjustments for specially assessed property.
 RMV = Real Market Value
 MAV = Maximum Assessed Value
 TAV = Taxable Assessed Value
 TAV is lower of M5 Value or MAV
 M5 Limit = \$10 x (M5 value/1000)
 M50 Limit = (M5 Limit / TAV) x 1000
 Gap = M50 Limit - Total
 VCTR = Value to Compute the Tax Rate (TAV less adjustments)
 This is an estimate based on total values for each city. Actual calculations are performed on each tax lot individually by the Assessor's office.
 Total loss due to compression from SAL Table 4A



JACKSON COUNTY FIRE DISTRICT 4

1200 HWY 62 • SHADY COVE, OR • 97539 • (541) 878-2666

Jackson County Fire District 4

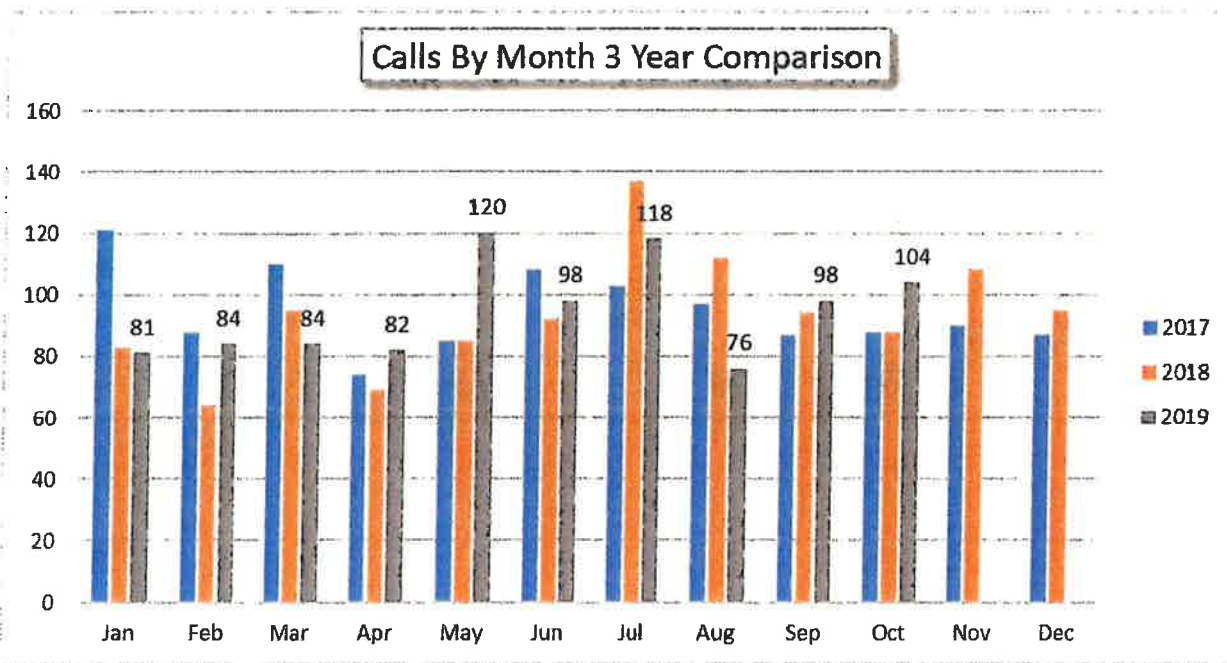
Monthly Report: October 2019

Total Number of Incidents for October 2019 - **104**

Average Response time

	Average Response Time	# of Calls
City limits	5.24	62
Non City/Rural	10.12	35

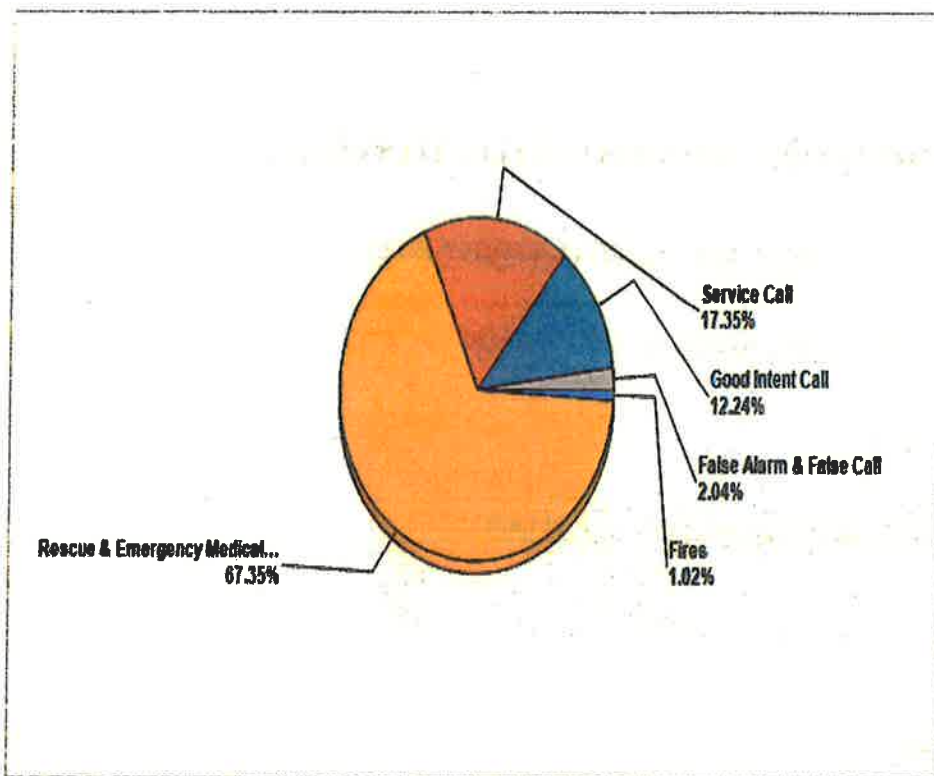
Monthly Call Volume



8th November 2019

Paul Rydings Longbow computers

Breakdown by Major Incident Type

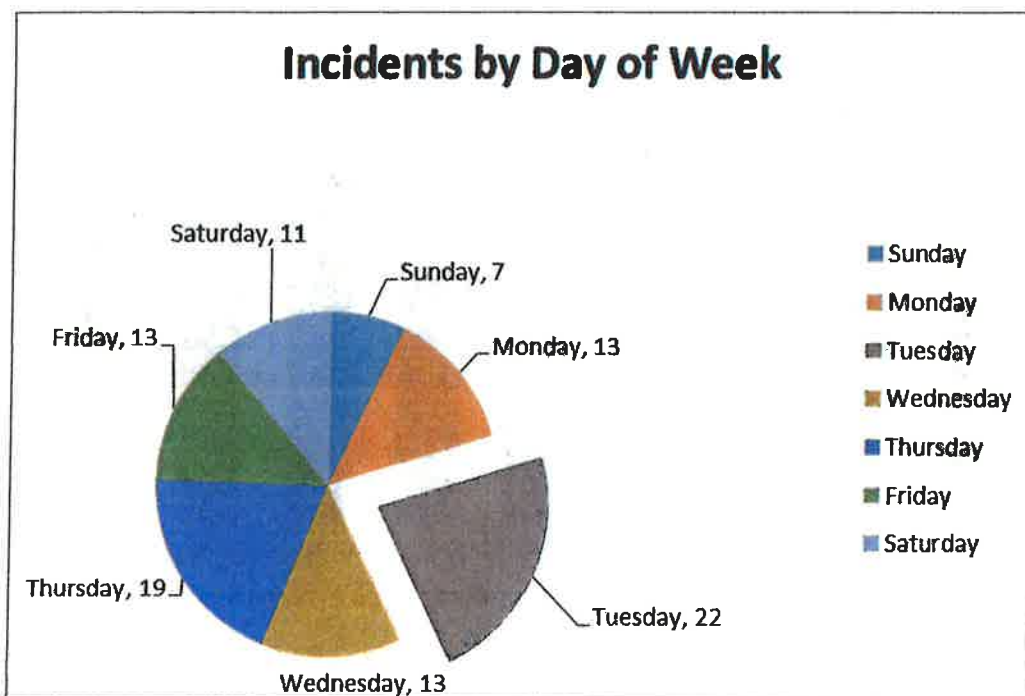


MAJOR INCIDENT TYPE	# INCIDENTS	% of TOTAL
Fires	1	1.02%
Rescue & Emergency Medical Service	66	67.35%
Service Call	17	17.35%
Good Intent Call	12	12.24%
False Alarm & False Call	2	2.04%
TOTAL	98	100.00%

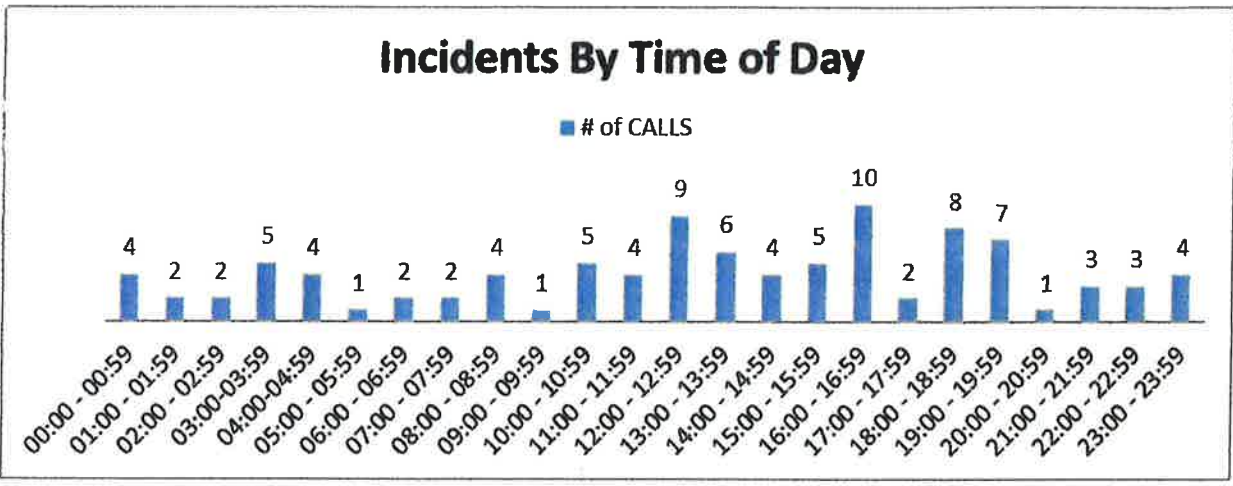
Detailed Breakdown by Incident Type

Detailed Breakdown by Incident Type		
INCIDENT TYPE	# INCIDENTS	% of TOTAL
111 - Building fire	1	1.02%
311 - Medical assist, assist EMS crew	3	3.06%
321 - EMS call, excluding vehicle accident with injury	62	63.27%
324 - Motor vehicle accident with no injuries.	1	1.02%
531 - Smoke or odor removal	1	1.02%
552 - Police matter	4	4.08%
553 - Public service	3	3.06%
554 - Assist invalid	6	6.12%
561 - Unauthorized burning	3	3.06%
611 - Dispatched & cancelled en route	9	9.18%
622 - No incident found on arrival at dispatch address	2	2.04%
651 - Smoke scare, odor of smoke	1	1.02%
743 - Smoke detector activation, no fire - unintentional	2	2.04%
TOTAL INCIDENTS:	98	100.00%

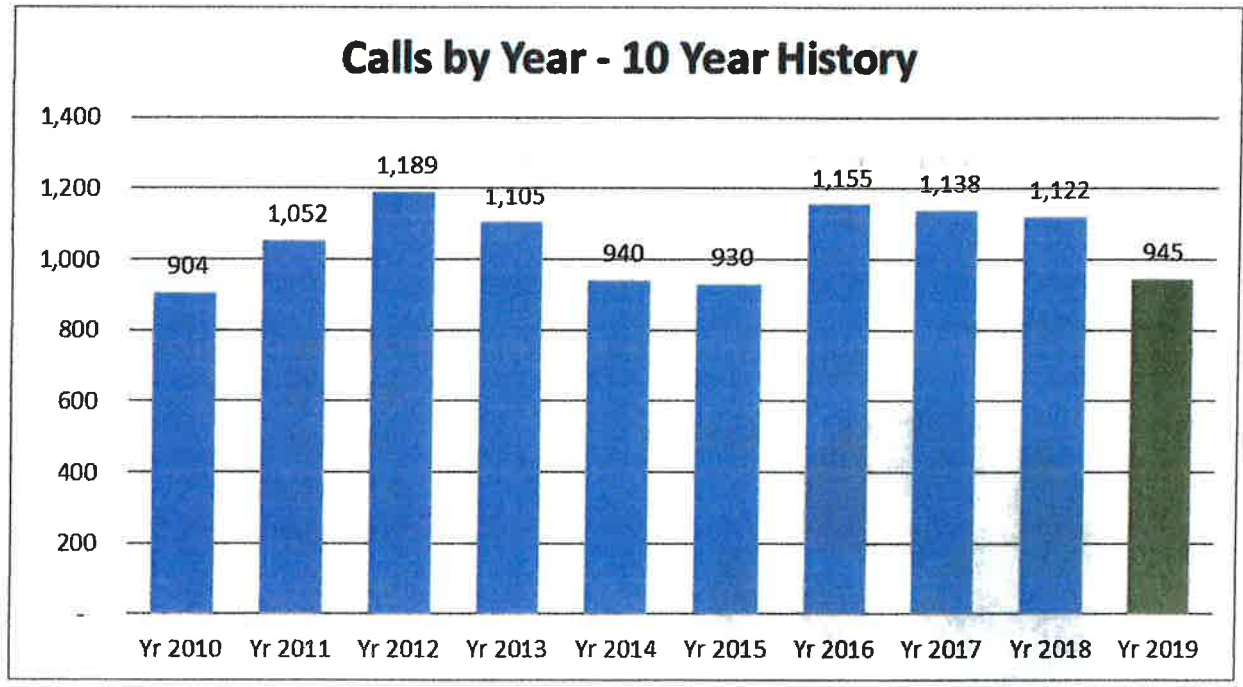
Incidents by Day of Week



Incidents by Time of Day



Call History



Check Issue Date	Check	Payee	Description	Amount
11/13/2019	44451	Bonnie Pickett	PERS Refund for EE portion on final check	-31.70
11/20/2019	44474	Postmaster	Bulk Mailing - Planning	500.77
11/26/2019	44476	Adam & Allison Evans	utility refund	.83
11/26/2019	44477	AT&T Mobility	Mobile Phone #2872860888814	220.93
11/26/2019	44478	Avista Corporation	Natural Gas 4941620000	93.51
11/26/2019	44479	Barb Cochran	Utility Billing Refund	2.19
11/26/2019	44480	Canon Financial Services, Inc.	Copier Lease & Copies 612930	375.99
11/26/2019	44481	Celtic Circle, LLC	Utility Billing Refund	46.00
11/26/2019	44482	CIS Trust	Life Insurance	39.02
11/26/2019	44482	CIS Trust	Long Term Disability	63.74
11/26/2019	44483	Costco	Membership Renewal - 111884657721	60.00
11/26/2019	44484	Crystal Fresh	Bottled Water C82225	34.50
11/26/2019	44485	David Christian	Radio Programming, 6 hrs.	90.00
11/26/2019	44485	David Christian	Radio Programming, 6 hrs.	90.00
11/26/2019	44485	David Christian	Radio Programming, 4 1/2 hrs.	67.50
11/26/2019	44486	ELAN	Computer Software	349.99
11/26/2019	44487	Hamilton, Jim	Utility Billing Refund	19.50
11/26/2019	44488	Hunter Communications	Phone Services & Internet Charges 698	575.13
11/26/2019	44489	InstaPrint	Envelopes	136.35
11/26/2019	44490	Jessie Bridgham	Professional Services	675.00
11/26/2019	44491	Personnel Source, Inc.	Temporary Laborer-Office Support	672.00
11/26/2019	44492	Phil & K. Tallman	Utility Billing Refund	130.00
11/26/2019	44493	Postmaster	Sewer Billing	340.48
11/26/2019	44494	Project A, Inc.	Development and Hosting	200.00
11/26/2019	44495	Speer Hoyt, LLC	Attorney- Labor	137.84
11/26/2019	44496	WECO - Carson	Public works gasoline/diesel 1-01737	85.14
11/26/2019	44497	William Reinhard	Utility Billing Refund	65.00
Grand Totals:				5,039.71

City of Shady Cove
Draft Goals 2020-2021

Pass and adopt the revised City Charter

Address the quality and quantity of Shady Cove housing stock and establish policies to protect property values

Fill positions on Emergency Management Commission

Establish an agreement for use of an Emergency Operations Center

Comprehensively address and implement a street improvement/maintenance plan

Continue to make improvements to the Emergency Management Plan via the Emergency Management Commission

Develop a CERT program

Comprehensively address the City's most precious resource, the Rogue River, via an inventory of its assets, its threats, and potential

Restructure revenue resources to eliminate public safety fees

Staff to obtain bids to move the raised platform for Council seating to allow ADA access

Allocate \$50,000.00 for a nuisance abatement fund to secure substandard structures from being occupied

Allocate funds to install two solar powered speed limit signs

Complete a feasibility study for solar powered pedestrian street lights on West side of Hwy 62 from the bridge to City Hall

Purchase and adopt the most current International Building Codes for local enforcement

Organize all paper forms of City documents that are currently stored in the Community Center's loft and complete digitization of them

Create a Park Memorial Ordinance that would define where, how and under what conditions permanent personal effects including personal memorials, remembrances and dedications can be placed in a park

Develop a comprehensive community calendar which will aid in both planning and communicating events to the public and plan and execute City events and/or festivals

Relocate, repurpose or remove the small memorial in Aunt Caroline's Park

Obtain an electronic sign jointly purchased by the City of Shady Cove, the Jackson County library (Shady Cove location) and the Upper Rogue Community Center

Complete the Branding of the City

Lease Agreement

This lease is made between Celtic Circle, LLC of 192 Schoolhouse Lane, Shady Cove, Oregon (Mailing address: P.O. Box 127, Trail, Oregon 97541), herein called Lessor, and City of Shady Cove, Oregon, P.O. Box 1210, Shady Cove, OR 97539, herein called Lessee.

Lessee hereby offers to lease from Lessor the premises situated in the City of Shady Cove, County of Jackson, State of Oregon, described as T34 R1 W Sec10CC Tax Lot 3300 located in Celtic Heights Lot #9 at 1008 Celtic Circle, 9560 square feet of yard plus 3000 square feet of building upon the following TERMS and CONDITIONS:

1. Term and Rent.

Lessor demises the above premises for a term of 36 months, commencing January 1, 2020 and terminating on December 31, 2022, or sooner as provided herein at the annual rental of \$865.00 per month payable in equal installments in advance on the first day of each month for that month's rental, during the term of this lease. All rental payments shall be made to Lessor, at the address specified above.

2. Use.

Lessee shall use and occupy the premises for repair, maintenance and storage of equipment. The premises shall be used for no other purpose. Lessor represents that the premises may lawfully be used for such purpose. Lessee shall not use the premises for the purposes of storing, manufacturing or selling any explosives, flammable, or other inherently dangerous substance, chemical, or device.

3. Care and Maintenance of Premises.

Lessee acknowledges that the premises are in good order and repair, unless otherwise indicated herein. Lessee shall, at his own expense and at all times, maintain the premises in good and safe condition, including plate glass, electrical wiring, plumbing and heating installations and any other system or equipment upon the premises and shall surrender the same, at termination hereof, in as good a condition as received, normal wear and tear excepted. In the event a condition arises that is not the result of normal wear and tear, Lessee and Lessor shall agree upon a reasonable distribution of cost between Lessee and Lessor to remedy that condition.

4. Alterations.

Lessee shall not, without first obtaining the written consent of Lessor, make any alterations, additions, or improvements, in, to or about the premises.

5. Ordinances and Statutes.

Lessee shall comply with all statutes, ordinances and requirements of all municipal, state and

federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by Lessee.

6. Assignment and Subletting.

Lessee shall not assign this lease or sublet any portion of the premises without prior written consent of the Lessor, which shall not be unreasonably withheld. Any such assignment or subletting without consent shall be void and, at the option of the Lessor, may terminate this lease.

7. Utilities.

All applications and connections for necessary utility services on the demised premises shall be made in the name of Lessee only, and Lessee shall be solely liable for utility charges as they become due, including those for sewer, water, gas, electricity, and telephone services. In the event that any utility or service provided to the premises is not separately metered, Lessor shall pay the amount due and separately invoice Lessee for Lessee's pro rata share of the charges. Lessee acknowledges that the leased premises are designed to provide standard use, office lighting and electrical facilities. Lessee shall not use any equipment or devices that utilize excessive electrical energy or that may, in Lessor's reasonable opinion, overload the wiring or interfere with electrical services to other tenants.

8. Entry and Inspection.

Lessee shall permit Lessor or Lessor's agents to enter upon the premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same, and will permit Lessor at any time within sixty (60) days prior to the expiration of this lease, to place on the premises any usual "To Let" or "For Lease" signs, and permit persons desiring to lease the same to inspect the premises thereafter.

9. Parking.

During the term of this lease, Lessee shall have the nonexclusive use in common with Lessor, other tenants of the building, their guests, of the non-reserved common automobile parking areas, driveways, and foot ways, subject to rules and regulations for the use thereof as prescribed from time to time by Lessor. Lessor reserves the right to designate parking areas within the building or in a reasonable proximity thereto, for Lessee and Lessee's agents and employees. Lessee shall provide Lessor with a list of all license numbers for the cars owned by Lessee, its agents and employees. Separated structured parking if any, located about the building is reserved for Lessees of the building who rent such parking spaces. Lessee hereby leases from Lessor spaces in such a structural parking area, such spaces to be on a first-come first-served basis.

10. Indemnification of Lessor.

To the extent of the law, Lessor shall not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the demised premises or any part thereof. Lessee agrees to indemnify and hold Lessor harmless from any claims for damages which arise in connection with any such occurrence. Said indemnification shall include indemnity from any costs or fee which Lessor may incur in defending said claim.

11. Insurance.

Lessee, at their expense, shall maintain plate glass and public liability insurance including bodily injury and property damage insuring Lessee and Lessor with minimum coverage as follows:

Lessee is responsible for fire insurance for building and contents.

Lessee shall provide Lessor with a Certificate of Insurance showing Lessor as additional insured. The Certificate shall provide for a ten-day written notice to Lessor in the event of cancellation or material change of coverage. To the maximum extent permitted by insurance policies which may be owned by Lessor or Lessee, Lessee and Lessor, for the benefit of each other, waive any and all rights of subrogation which might otherwise exist.

If the leased premises or any other part of the building is damaged by fire or other casualty resulting from any act of negligence of Lessee or any of Lessee's agents, employees or guests, rent shall not be diminished or abated while such damages are under repair, and Lessee shall be responsible for the costs of repair not covered by insurance.

Lessee shall provide \$1 million liability coverage.

12. Eminent Domain.

If the premises or any part thereof or any estate therein, or any other part of the building materially affecting Lessee's use of the premises, shall be taken by eminent domain, this lease shall terminate on the date when title vests pursuant to such taking. The rent, and any additional rent, shall be apportioned as of the termination date, and any rent paid for any period beyond that date shall be repaid to Lessee. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, but Lessee may file a claim for any taking of fixtures and improvements owned by Lessee, and for moving expenses.

13. Destruction of Premises.

In the event of a partial destruction of the premises during the term hereof, from any cause, Lessor shall forthwith repair the same, provided that such repairs can be made within sixty (60) days under existing governmental laws and regulations, but such partial destruction shall not terminate this lease, except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Lessee on the premises. If such repairs cannot be made within said

sixty (60) days, Lessor, at their option, may make the same within a reasonable time, this lease continuing in effect with the rent proportionately abated as aforesaid, and in the event that Lessor shall not elect to make such repairs which cannot be made within sixty (60) days, this lease may be terminated at the option of either party. In the event that the building in which the demised premises may be situated is destroyed to an extent of not less than one-third of the replacement costs thereof, Lessor may elect to terminate this lease whether the demised premises be injured or not. A total destruction of the building in which the premises may be situated shall terminate this lease.

14. Lessor's Remedies on Default.

If Lessee defaults in the payment of rent, or any additional rent, or defaults in the performance of any of the other covenants or conditions hereof, Lessor may give Lessee notice of such default and if Lessee does not cure any such default within thirty (30) days, then Lessor may terminate this lease on not less than thirty (30) days notice to Lessee. On the date specified in such notice the term of this lease shall terminate, and Lessee shall then quit and surrender the premises to Lessor, without extinguishing Lessee's liability. If this lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the premises by any lawful means and remove Lessee or other occupants and their effects.

15. Attorney's Fees.

In case suit should be brought for recovery of the premises, or for any sum due hereunder, or because of any act which may arise out of the possession of the premises, by either party, the prevailing party shall be entitled to all costs incurred in connection with such action, including a reasonable attorney's fee.

16. Notices.

Any notice which either party may or is required to give, shall be given by mailing the same, postage prepaid, to Lessee at the specified address above, or Lessor at the address specified above, or at such other place as may be designated by the parties from time to time.

17. Heirs, Assigns, Successors.

This lease is binding upon and inures to the benefit of the heirs, assigns and successors in interest to the parties.

18. Option to Renew.

Provided that Lessee is not in default in the performance of this lease, Lessee shall have the option to renew the lease for an additional term of 36 months commencing on December 31, 2022. All of the terms and conditions of the lease shall apply during the renewal term. The option shall be exercised by written notice given to Lessor not less than 30 days prior to the expiration of the initial lease term. This option shall expire if notice is not given in the manner provided herein within the time specified.

19. Subordination.

This lease is and shall be subordinated to all existing and future liens and encumbrances against the property.

20. Non-Appropriation

In the event that the City Budget Committee fails to recommend appropriation of sufficient funds, in compliance with local budget law and applicable statutory limitations, to make required lease payments during the annual budget period, this lease terminates without penalty to the City of Shady Cove, upon the City providing thirty (30) days notice of said non-appropriation. This lease is not a debt.

21. Radon Gas Disclosure.

As required by law, the Landlord makes the following disclosure: "Radon Gas" is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Additional information regarding radon and radon testing may be obtained from the county public health unit.

22. Entire Agreement.

The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties. The following Exhibits, if any, have been made a part of this lease before the parties' execution hereof:

Signed this _____ day of _____ 2019.

Lessor: _____
John Collins, Member
Celtic Circle, LLC.

Lessee: _____ Title _____