

AGREEMENT FOR LONG-TERM RURAL ENTERPRISE ZONE ABATEMENT

This Agreement for Long-Term Rural Enterprise Zone Tax Abatement (“**Agreement**”) is executed by and among LINN COUNTY, OREGON (“**County**”) the CITY OF MILLERSBURG (“**City**”) and CLT Lab, LLC, a Delaware limited liability company (the “**Company**”) collectively referenced in this Agreement as “**Parties**.”

RECITALS

WHEREAS, Linn County and the City of Millersburg are Cosponsors of the Linn County Enterprise Zone pursuant to Oregon Revised Statutes (ORS) 285C.045-285C.090 (“**Cosponsors**”);

WHEREAS, the Company has engaged in a competitive site selection process to assist in determining the most optimal location for its new Cross Laminate Timber manufacturing facility (the “**Facility**”);

WHEREAS, the Cosponsors desire to have the Company locate the Facility in the City of Millersburg;

WHEREAS, Linn County is a qualified rural county, within the meaning of ORS 285C.400(5), or a county with chronically low income or chronic unemployment, within the meaning of ORS 285C.400(3), in each case based on the most recently revised annual data available, for purposes of ORS 285C.412;

WHEREAS, contingent on the support of tax incentives from the Cosponsors, the Company intends to develop approximately 34 acres in the City of Millersburg (being a portion of Parcel/ID #: 10S03W29-00-00203 located south of the southernmost stream), in the Linn County Enterprise Zone, for its new Facility;

WHEREAS, the Company estimates making an investment at the Facility of approximately \$121,750,000 consisting of real property improvements and personal property acquisition.

WHEREAS, the Company anticipates creating approximately 75 jobs within 5 years after the Facility is placed in service.

NOW, THEREFORE, in recognition of the foregoing recitals, in consideration of the covenants contained herein, and in accordance with ORS 285C.400 through 285C.420, the Parties hereby agree as follows:

AGREEMENT

Exemption: The Cosponsors jointly acknowledge and agree that, upon timely submission by the Company of an application for certification, and upon certification by the Cosponsors and the Linn County Assessor, and conditioned upon the satisfaction of other requirements under ORS 285C.400 through 285C.420 and this Agreement, the Facility will be exempt from 100% of *ad valorem* property tax on the Facility as provided in ORS 285C.409(1). The property tax exemption granted by this Agreement will to the maximum extent permitted by law, exempt from all *ad valorem* property taxation all property included in or associated with the Facility, including the real property improvements, personal improvements, and tangible and intangible personal property (excluding land, as set forth in ORS 285C.409 (5)(a)) comprising or installed, constructed, added or otherwise placed at the Facility, all as set forth in ORS 285C.409 and OAR 123-690-0100 and 123-690-6200.

Term of Exemption: Pursuant to ORS 285C.409(1)(a) and (b), and conditioned upon the satisfaction of other requirements under ORS 285C.400 to 285C.420 and this Agreement, the Facility will be exempt from *ad valorem* property tax for the first property tax year beginning after the calendar year in which the Company is certified under ORS 285C.403 or after which construction or reconstruction of the Facility commences, whichever event occurs later, and for each subsequent property tax year in which the Facility is not yet in service, within the meaning of ORS 285C.409 and OAR 123-690-0100(3), as of the January 1 assessment date for such property tax year. Pursuant to ORS 285C.409(1)(c), and conditioned upon the satisfaction of other requirements under ORS 285C.400 to 285C.420 and this Agreement, the Facility will be exempt from *ad valorem* property tax for a total of 15 (fifteen) consecutive property tax years (“**Exemption Period**”) and such Exemption Period shall commence as of the first tax year in which the Facility is placed in service, within the meaning of ORS 285C.409 and OAR 123-690-0100(3) (which the parties hereto agree will be the date of issuance of final certificate of occupancy to Company for the Facility), as of the assessment date.

Obligations of Company: The Company will ensure that the Facility will comply with the following conditions, which constitutes consideration for the extension of the exemption beyond seven years:

Statutory and Administrative Requirements: The Company agrees that the Facility will comply with the requirements of ORS 285C.409 and ORS 285C.412(1) (the conditions of which are described in subsections (1)-(4) below) as well as those provided in OAR Chapter 123, Division 690, including:

Minimum Facility Investment: As provided in ORS 285C.412(1)(a), by the end of the year in which the Facility is placed in service, within the meaning of ORS 285C.409 and OAR 123-690-0100(3), the total cost of the Facility will be the lesser of \$25 million or one percent of the real market value of all nonexempt taxable property in Linn county (and rounded to the nearest \$10 million of such value).

Minimum Employment: As provided in ORS 285C.412(1)(b), the Company will hire 75 full-time employees at the Facility by the end of the fifth calendar year following the year in which the Facility is placed in service, within the meaning of ORS 285C.409 and OAR 123-690-0100(3). For purposes of this Agreement, including the minimum employment requirement pursuant to ORS 285C.412 and described in Section 3.A.2, employees of the Company include employees of an affiliated

company of the Company or a third party fully charged with general facility operations, all within the meaning of OAR 123-690-4200.

Minimum Employee Total Compensation: As provided in ORS 285C.412(1)(c) the Company agrees that the annual average total compensation for all of new full time employees at the Facility will be at least equal to or greater than 150% of the Linn County average annual wage in accordance with the definitions and guidelines in OAR Chapter 123, Division 690.

This requirement may be initially met in any year during the first five years after the year in which operation of the Facility is placed in service, and thereafter is met if the annual average total compensation is equal to or greater than in the year this requirement was initially met.

Minimum Employee Wage: As provided in ORS 285.412(1)(c), the Company agrees that the average annual wage for all employees at the new Facility will be at least equal to or greater than the then-current Linn County average annual wage as of the Effective Date of this Agreement, in accordance with ORS 285C.412 and the definitions and guidelines in OAR Chapter 123, Division 690.

Alternative Eligibility Requirements: Subsections (i)-(iv) above reference fulfillment of the requirements of ORS 285C.412(1) (“**Targeted Eligibility Requirements**”). In the event that the Facility does not meet the Targeted Eligibility Requirements, in addition to all cure rights included in this Agreement the Company may demonstrate that the Facility meets any of the alternative eligibility scenarios described in ORS 285C.412(2)-(5) (“**Alternative Eligibility Requirements**”) in lieu of the Targeted Eligibility Requirements.

Project Description: In accordance with OAR 123-690-2000(1)(b), a concise description of the Company’s proposed investment, the Facility and site, and expected workforce are set forth in the Recitals above.

School Support Fee: That under ORS 285C.405:

The Company shall pay to the Greater Albay Public School District 8J (hereinafter, “**the district**”) in each of the years six through fifteen of the Exemption Period an amount equal to the entirety of the property taxes not owed in such year by the Company due to the exemption, multiplied by the rate for the school support fee established between the district and the Cosponsors for purposes of Chapter 298, Oregon Laws 2023, which is 15 percent.

The school support fee amount shall be based on information provided each year by the Cosponsors, and the Company shall expect notice from the district by December 1 of each year about making payment.

Payment of the school support fee shall be due in full on December 31 of each year, and after 60 days, payment is deemed delinquent.

If more than 60 days following the date of delinquency, the delinquent fee payment has not been cured, the school district will give written notice to the office of the assessor for Linn County, and any outstanding fee amount, and future taxes on property otherwise still subject to exemption shall be due to the county tax collector or payable through subsequent property tax bill.

Delinquency is cured if the school district receives payment in full by April 15.

Conditions to Obligations

All obligations of the Company described in this Agreement arise solely because of, and are expressly conditioned upon, the following:

The Company’s development, and the placement in service, within the meaning of ORS 285C.409 and OAR 123-690-0100(3), of the Facility in the Linn County Enterprise Zone; and

The Company’s being exempt from property tax liability as provided under ORS 285C.409 during the entire Construction Period and the entire Exemption Period.

If any of the foregoing conditions is not satisfied for any reason, the Company is excused from performance of its obligations under, and may terminate, this Agreement.

LOCAL ADDITIONAL REQUIREMENTS: City of Millersburg

For the Company to receive the 15 years of enterprise zone abatement granted herein, the Cosponsors and the Company agree that the Company shall meet the following additional requirement(s) as reasonably requested by the Cosponsors under ORS 285C.403(4)(c):

The Company will make a payment, as described in D and E below, as a public safety fee, on the abated assessed value of the new investment effected by the approval of this abatement for each year of the Exemption Period.

Public safety includes police, fire, and EMS services paid for by the City of Millersburg.

Payment must be received by April 1st of each property tax year of the Exemption Period. If payment is not received, the Company is not eligible for the tax abatement for the year the financial contribution is not made.

Funds will be paid to the City of Millersburg based on \$2.61/\$1000 of the abated assessed value for the provision of public safety service, as set at the time of this authorization, for years 6 through 10 of the Exemption Period.

Funds will be paid to the City of Millersburg based on \$3.00/\$1,000 of the abated assessed value for the provision of City services, as set at the time of this authorization, for years 11 through 15 of the Exemption Period.

In the event that the Company is ever disqualified from the exemption from ad valorem property taxes set forth under ORS 285C.409 and this Agreement, whether due to disqualification pursuant to the terms of this Agreement, under ORS 285C.420, a change in applicable law, or otherwise, then to the maximum extent allowable under applicable law, the aggregate amount of all public safety fees paid hereunder through the date of disqualification shall be credited against the amount of any additional property taxes due pursuant to ORS 285C.420 or otherwise as a result of such disqualification.

LOCAL ADDITIONAL REQUIREMENTS: Linn County

For the Project to receive the 15 years of enterprise zone abatement granted herein, The Zone Cosponsors and The Project agree that The Project shall meet the following additional requirement(s) as reasonably requested by The Zone Sponsor under ORS 285C.403 (4)(c):

The Project will make a payment, as described in D below, as a public safety fee, known as the Law Enforcement Levy, on the assessed value of the new investment effected by the approval of this abatement each year of the total abatement (five years).

The Law Enforcement Levy includes Sheriff, Jail, District Attorney and Juvenile Correction services paid for by Linn County.

Payment must be received by April 1st of each year of the abatement. If payment is not received, The Project is not eligible for the tax abatement for the year the financial contribution is not made.

Funds will be paid to the Linn County Treasurer based on \$2.98/\$1000 of the abated assessed value for the provision of Linn County law services, as set at the time of this authorization, for years 6 through 15 of the Exemption Period.

Obligations of Cosponsors: Cosponsors will comply with the following conditions:

Resolutions: The Linn County Board of Commissioners and the City of Millersburg Council will adopt resolutions approving and certifying the execution of the Agreement. Such resolutions will serve to approve the Facility for the property tax exemption under ORS 285C.409 and constitute the resolutions described in ORS 285C.403(3)(a). Cosponsors shall promptly provide copies of such adopted resolutions to the Company.

Requisite Openness & Communication: Pursuant to ORS 285C.407 and ORS 123-668-3000, Cosponsors shall post this written agreement online on the Linn County website for the required 21 days prior to execution and becoming effective.

Certification: Within 5 days of the Effective Date (defined below), Cosponsors shall submit a signed and dated copy of this Agreement to the Oregon Business Development Department for its review and confirmation of compliance with applicable rules pursuant to OAR 123-690-2000(4). Within 5 days of Cosponsors adopting resolutions approving and certifying the execution of the Agreement as described in ORS 285C.403(3)(a), Cosponsors and the Assessor will approve and countersign the application submitted by the Company, thereby certifying the Company as eligible for the property tax exemption contemplated by this Agreement. Within 30 days of certifying the Company, the Cosponsors shall provide copies of the approved application to the Company, the Oregon Department of Revenue, and the Oregon Business Development Department.

Tax Exemption: Cosponsors hereby set the period of the property tax exemption for purposes of ORS 285C.409 (1)(c) to be 15 consecutive years, notwithstanding that applicable law may allow for a shorter tax exemption period.

Cosponsor Support: Cosponsors will support the Company in the Company's efforts to qualify for and obtain other tax incentives in connection with the Facility, including by promptly executing such letters or other documentation of support as may be reasonably requested by the Company, but Cosponsors make no warranty with respect to its ability to affect any outcome in such regards.

School Support Fee: On or before November 1 following the beginning of the sixth and each subsequent tax year during the Exemption Period, the Cosponsors shall provide the district all information necessary for the district to collect the school support fee directly from the Company.

No Additional Requirements: None of the Cosponsors shall impose upon or demand, require, or request of the Company or any of its affiliates any requirements not expressly set forth herein in order for the Company to obtain or maintain the exemption contemplated hereunder. Except as expressly set forth herein, none of the Company or any of its affiliates shall be required to perform any additional act or incur any additional obligation or liability in order to obtain or maintain the exemption contemplated under this Agreement.

Termination Rights: Each party may terminate this Agreement as follows:

Company Termination Right: If any condition contained in this Agreement fails to be satisfied for any reason, the Company may elect to terminate this Agreement by delivery of written notice thereof to Cosponsors. Upon delivery of such notice, this Agreement will be of no further force or effect and no party will have any further rights or obligations hereunder, except for obligations owing and unpaid on the date of termination.

Cosponsors Termination Right: If the Company fails to fulfill any Statutory obligation of this Agreement within 30 days of written notice specifying the obligation which is in default, Cosponsors may terminate the Agreement upon written notice to the Company. Such written notice, however, must provide an additional 60 days in which the Company, may cure any deficiency or default. Upon the expiration of the 60 days, this Agreement will be of no further force or effect and no party will have any further rights or obligations hereunder, except obligations owing and unpaid on the date of termination, and all aspects of the Facility will become subject to the usual *ad valorem* property tax.

Mutual Termination Right: The parties may terminate this Agreement at any time upon mutual written agreement of termination.

Miscellaneous Provisions:

Effective Date: This Agreement becomes effective on the date that is 21 days after Cosponsors post this written agreement on the Linn County website as described above and this Agreement has been signed by all of the Parties.

Assignment: The Company may assign, upon written notice and authorization in the name of the assignee, its rights and obligations under this Agreement to a new entity without any further consent of Cosponsors.

Amendment: This Agreement may be amended only by a written document signed by the party against whom enforcement is sought.

Waiver: No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. A party's waiver of a breach of a provision of this Agreement will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision. This Agreement constitutes the entire agreement between the Parties on the subject matter hereof.

Severability: The parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.

Third-Party Beneficiaries: Nothing in this Agreement, expressed or implied, is intended to or shall confer upon any person other than the parties hereto, and their respective successors and permitted assigns, any rights, benefits, or revenues of any nature under or by reason of this Agreement. For the avoidance of doubt, this Agreement shall not confer upon the district or any other governmental entity, other than the Cosponsors, any rights, benefits, or revenues of any nature.

Notices: All notices or other communications required or permitted under this Agreement must be in writing and must be (1) personally delivered, and shall be deemed received on receipt at the office of the addressee; or (2) sent by registered or certified mail, postage prepaid, return receipt requested, which notices and communications will be deemed received three days after deposit in the United States mail, postage prepaid; or (3) sent by overnight courier delivery, which will be deemed received one business day after deposit with the courier; or (4) sent by FAX, which notices and communications will be deemed received on the delivering Party's receipt of a transmission confirmation.

To Company: CLT Lab, LLC
Attn: Christopher Evans
850 NW 13th Avenue, 5th Floor
Portland, OR 97209
Email: cevans@timberlab.com

With cc to: CLT Lab, LLC
Attn: Legal
2001 Clayton Road, 7th Floor
Concord, CA 94520

To City : City of Millersburg, Oregon
Attn: Kevin L. Kreitman
4222 NE Old Salem Road
Albany, OR 97321
Email : kevin.kreitman@millersburgoregon.gov

To County: Linn County, Oregon
Attn:
[]
[]
Email: []

Governing Law: This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement.

Venue: Any action, suit, or proceeding arising out of the subject matter of this Agreement will be litigated in courts located in Linn County, Oregon. Each party consents and submits to the jurisdiction any local, state or federal court located in Linn County, Oregon.

Attorney's Fees: If any arbitration, action, suit, or proceeding is instituted to interpret, enforce, or rescind this Agreement, or otherwise in connection with the subject matter of this Agreement, including, but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, action, suit, or proceeding, any appeal or petition for review, the collection of any award, or the enforcement of any order, as the arbitrator or court.

Entire Agreement: This Agreement contains the entire understanding of the Parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the Parties with respect to the subject matter of this Agreement.

Signatures: This Agreement may be signed in counterparts. Electronic transmission of a signature page will be considered an original signature page. At the request of a party, the other party will provide an original signature page to the requesting party.

IN WITNESS WHEREOF, the Parties, by their respective duly authorized representatives, have executed this Agreement on the date shown.

**Linn County
Board of Commissioners**

City of Millersburg

CLT Lab, LLC