

## **AGREEMENT FOR LONG-TERM RURAL ENTERPRISE ZONE ABATEMENT**

### **Lamb Weston, Inc.**

This agreement for Long-Term Rural Enterprise Zone Tax Abatement ("Agreement") is entered into by and between the Columbia River Enterprise Zone III Board [representing the Port of Morrow, Morrow County, and the City of Boardman, all units of local government within the State of Oregon], and Lamb Weston, Inc. ("Company").

Morrow County and the Port of Morrow are referenced collectively in this Agreement as the "Sponsors." Morrow County, Port of Morrow, and City of Boardman are referenced collectively in this Agreement as the "Board Entities." In this Agreement, the CREZ III Board, each of the Board Entities, and the Company may be individually referenced as a "Party" and collectively referenced as the "Parties."

This Agreement becomes effective on the date it has been signed by all Parties.

### **RECITALS**

- A. The Sponsors have established the Columbia River Enterprise Zone III pursuant to Oregon Revised Statutes (ORS) 285C.045, *et seq.*
- B. With the aid of tax incentives from the Board Entities, the Company, either directly or through an affiliate, intends to invest approximately \$145,000,000.00 in the Columbia River Enterprise Zone III by building and modernizing the Company's potato processing facility ("Facility") as further described in Section I of this Agreement.
- C. The Facility is located within the City of Boardman's area of influence.
- D. The Board Entities have entered into an Intergovernmental Agreement ("IGA") dated January 27, 2021, to create the CREZ III Board as an intergovernmental entity to govern, supervise, manage, and implement the operations of the Zone when a project lies within the City of Boardman's area of influence.
- E. The Company has previously contributed to long-term investment and employment in the Zone.
- F. The Company and the CREZ III Board desire to enter into this Agreement whereby the Company will continue to make investments in the Zone.
- G. The Company has timely and properly filed the Oregon Form OR-AP-CERT, Oregon Enterprise Zone Certification Application – Long Term Rural Tax Incentive, 150-310-073 ("Application") with respect to the Facility.
- H. The Company must execute a first-source hiring agreement pursuant to ORS 285C.215 providing for the creation of new permanent jobs in Morrow County.

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**

1. **The Facility.** The Facility is located on Lots 1, 2, & 3 of Block 2, Port of Morrow Processing Park, City of Boardman. Facility situs address is 600 Columbia Avenue NE, Boardman, OR 97818.
2. **Exemption.** The CREZ III Board and the Board Entities jointly acknowledge and agree that, upon approval of the Company's Application, and upon certification by the CREZ III Board and the Morrow 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 ad valorem property taxes as provided in ORS 285C.409(1). To the maximum extent permitted by law, the property tax exemption granted by this Agreement shall apply to the real property improvements, personal property 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 site, as set forth in ORS 285C.409 and Oregon Administrative Rules (OAR) 123-690-0100(2).
  - 2.1 Scope of Exemption. Pursuant to ORS 285C.409(1) and subject to Section 2 of this Agreement, the Company and its affiliates are entitled to exemption from ad valorem property tax with respect to all qualified property, whether leased or owned and whether tangible or intangible, of the Company and its affiliates used in connection with the development, construction, and operation of the Facility.
  - 2.2 Term of Exemption. 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 as follows:
    - 2.2.1 For the first tax year following the calendar year in which the Company is certified or after which construction of the Facility commences, whichever event occurs later;
    - 2.2.2 For each subsequent tax year in which the Facility is not yet in service as of the assessment date; and
    - 2.2.3 For a period of fifteen (15) consecutive property tax years commencing as of the first tax year in which the Facility is in service as of the assessment date (the "Exemption Period"). As used in this Agreement, "in service" shall mean as defined in OAR 123-690-0100(3).
3. **Obligations of the Company.**
  - 3.1 Notice of Occupancy Permit. The Company shall notify the Morrow County Assessor upon the Facility's receipt of the permit to occupy and use the Facility for its intended purpose within ninety (90) days of such receipt.

### 3.2 Statutory and Administrative Requirements.

3.2.1 The Company agrees to comply with the requirements of ORS 285C.409 and 285C.412(2) and OAR Chapter 123, Division 690, including:

- Minimum Facility Investment: By the end of the year in which the Facility is placed in service, the total cost of the Facility will be approximately \$145,000,000.00.
- Minimum Employment: The Company will hire and thereafter continue to employ during the term of this exemption at least thirty-five (35) full-time employees at the Facility by the end of the third calendar year following the year in which the Facility is placed in service.
- Minimum Employee Compensation: The Company agrees that the annual average compensation for all of the Company's employees at the Facility will be at least equal to or greater than one-hundred thirty percent (130%) of the County average annual wage, in accordance with OAR Chapter 123, Division 690. This requirement may be initially met in any year during the first five (5) years after the year in which operation of the Facility begins, and thereafter is met if the annual average compensation for employees at the Facility for the year exceeds the average wage in the County for the year in which the requirement was initially met.

3.2.2 The Company agrees to comply with the requirements of ORS 285C.409 and 285C.412(2) and OAR Chapter 123, Division 690, including making the following Fee Payments no later than November 15 of each calendar year:

- Payments. Commencing the year in which the Company meets the conditions set forth in Section III C, the Company shall submit an annual fee payment of \$750,000 for fifteen (15) consecutive years. to the Morrow County Assessor, with the payee identified as the CREZ III Board.
- Investment in Excess of 105 Percent. If the Company's investment exceeds one-hundred five percent (105%) of the \$ \$145,000,000.00 provided for herein, the annual payments will be increased by a pro-rated amount. For example, if the final investment exceeds this amount by eight percent (8%), the annual payment would also increase by eight percent (8%).
- Payment Reduction Opportunities. Subject to the approval of the Morrow County Assessor, the Company may make payments to or for the benefit of charities or non-profit entities that benefit any of the Board Entities or their respective residents ("Charitable Payment"). Any payment due under subsection V.B.1 of this Agreement shall be reduced by the amount of the Charitable Payment, up to a total of \$150,000 per year.
- Future Bonding. In the event voters approve a bond issue on or after July 1, 2025 for any taxing district within the consolidated tax area in which the Facility is

located, for each year during which the exemption applies the Company shall pay to the Morrow County Assessor, on or before November 15th of each year, an amount equal to one-hundred percent (100%) of the bond tax rate multiplied by the aggregate amount the Company would have been assessed but for the exemption. This amount shall be in addition to any other payments required under this Agreement.

- Permit Fees. The Company is responsible for paying all standard building permit and other permit fees associated with activities performed pursuant to this Agreement. If the Company has a choice between obtaining an equivalent permit, license, or similar approval from a local governmental entity or a state entity, the Company shall obtain the permit, license, or similar approval from the local governmental entity.

**4. Obligations of Sponsors.** Sponsors will comply with the following conditions:

- 4.1 Resolutions. Prior to executing this Agreement, and as a condition therefor, the respective governing bodies of Morrow County and the City of Boardman agree to adopt resolutions authorizing the tax exemption pursuant to ORS 285C.403(3)(a) and approving and authorizing the execution of this Agreement.
- 4.2 Certification. Within thirty (30) days of satisfaction of the criteria set forth under ORS 285C.403(3), the CREZ III Board and the Morrow County 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.
- 4.3 Tax Exemption. CREZ III Board and the Sponsors hereby set the period of the property tax exemption for purposes of ORS 285C.409(1)(c) to be fifteen (15) consecutive years.
- 4.4 Sponsor Support. Sponsors agree to 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 Sponsors make no warranty with regarding the outcome of such efforts by the Company.

**5. Termination.** The Agreement may be terminated as follows:

- 5.1 By the Company. If any condition contained in the Agreement fails to be satisfied for any reason, the Company may elect to terminate this Agreement by delivery of written notice of termination to the Sponsors. 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 effective date of termination.
- 5.2 By CREZ III. If the Company fails to make any payment required under this Agreement within thirty (30) days of the date such payment is due or fails to fulfill any other obligation of this Agreement, Sponsors shall provide a written notification of termination to the Company, specifying the nature of the default. If the Company fails to cure the default within sixty (60)

days following the date of delivery of such notice, or by such later date as specified by the Sponsors, this Agreement shall terminate. Upon the effective date of termination, this Agreement shall 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 effective date of termination. Notwithstanding the foregoing, Sponsors may not terminate the Agreement if the Company's failure to pay is due to Sponsors' error.

- 5.3 By Mutual Agreement. The Parties may terminate this Agreement at any time upon their mutual written agreement.

## 6. Miscellaneous.

- 6.1 Assignment. Upon written notice to all other Parties and upon written acceptance by the assignee, the Company may assign its rights and obligations under this Agreement to a new entity without any further consent of the Sponsors.
- 6.2 Amendment. This Agreement may be amended only by a written document signed by all Parties.
- 6.3 Waiver. No waiver will be binding on a Party unless it is in writing and signed by the Party granting the waiver. A Party's waiver of a breach of a provision of this Agreement will not constitute a waiver of any other provision or a waiver of a subsequent breach of the same provision.
- 6.4 Severability. 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 provision 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.
- 6.5 Governing Law. This Agreement is governed by the laws of the State of Oregon without giving effect to any conflict-of-law principles.
- 6.6 Venue. Any action, suit, or proceeding arising out of the subject matter of this Agreement will be litigated in courts located in Morrow County, Oregon. Each Party hereby consents and submits to the jurisdiction of any local, state, or federal court located therein.
- 6.7 Attorney's Fees. If any 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 determined by the arbitrator or court.



- 6.8 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 contained herein.
- 6.9 Signatures. This Agreement may be signed in counterparts. A faxed or emailed transmission of a signature page will be considered an original signature page. At the request of a Party, in addition to a faxed or emailed signature page, the other Party will deliver an original signature page to the requesting party.
- 6.10 Notices. All notices and communications relating to this Agreement shall be in writing and shall be personally delivered or sent registered or certified mail, return receipt requested, or delivered by nationally recognized express courier service. Such notices and other communications shall be effective upon receipt if hand delivered; three (3) business days after mailing if sent by regular mail, and one (1) business day after dispatch by express courier, to the following addresses:

If to Company:

Lamb Weston Inc.  
PO Box 1900  
Pasco, WA 99302

If to CREZ III Board & Board Entities:

CREZ III Board  
David Sykes, Interim Manager  
PO Box 247  
Heppner, OR 97836

If to Morrow County Assessor:

Morrow County Assessor  
PO Box 247  
Heppner, OR 97836

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

**COLUMBIA RIVER ENTERPRISE ZONE III**



Joel Peterson (Oct 29, 2025 08:03:47 PDT)

Joel Peterson, Chair

Dated this 29 day of October, 2025.

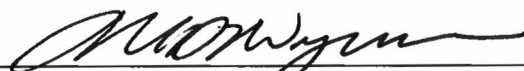
Attest:



David Sykes (Oct 29, 2025 14:20:18 PDT)

David Sykes, CREZ III Interim Manager

**LAMB WESTON, INC.**



Mark D. Wynn, Vice President, Tax

Dated this 16 day of October, 2025.









# agreement signed by lamb weston

Final Audit Report

2025-10-29

|                 |   |
|-----------------|---|
| Created:        | 2025-10-27                                    |
| By:             | Valerie Ballard (vballard@morrowcountyor.gov) |
| Status:         | Signed  |
| Transaction ID: | CBJCHBCAABAAADd0BTqUZSkgtrcvXZk5OyevmvtBZoU   |

## "agreement signed by lamb weston" History

-  Document created by Valerie Ballard (vballard@morrowcountyor.gov)  
2025-10-27 - 8:40:41 PM GMT
-  Document emailed to Joel Peterson (joel.peterson@portofmorrow.com) for signature  
2025-10-27 - 8:40:47 PM GMT
-  Document emailed to David Sykes (dsykes@morrowcountyor.gov) for signature  
2025-10-27 - 8:40:47 PM GMT
-  Email viewed by Joel Peterson (joel.peterson@portofmorrow.com)  
2025-10-27 - 8:41:24 PM GMT
-  Email viewed by David Sykes (dsykes@morrowcountyor.gov)  
2025-10-27 - 8:41:44 PM GMT
-  Document e-signed by Joel Peterson (joel.peterson@portofmorrow.com)  
Signature Date: 2025-10-29 - 3:03:47 PM GMT - Time Source: server
-  Document e-signed by David Sykes (dsykes@morrowcountyor.gov)  
Signature Date: 2025-10-29 - 9:20:18 PM GMT - Time Source: server
-  Agreement completed.  
2025-10-29 - 9:20:18 PM GMT