

DILIGENCE ACCESS AGREEMENT

This DILIGENCE ACCESS AGREEMENT (this "**Agreement**"), dated as of July 26, 2024, is entered into between **Arcadia Project LLC**, a State of Delaware limited liability company ("**Arcadia**"), and **The City of St. Helens, Oregon**, an Oregon municipal corporation ("**City**").

RECITALS

A. City is currently negotiating with Arcadia regarding the potential sale of the following real property owned by City: a portion of Columbia County Tax Lots Tax Lots #4109-00-00100 and #4109-00-00101 located within the City of St. Helens, the exact boundaries of which are to be established by the parties as part of negotiation of the "Property PSA" defined and described below (the "**Property**").

B. City has agreed to grant Arcadia a limited right of entry upon and access to the Property to conduct certain due diligence investigations, inspections, tests, and other activities thereon solely in connection with its proposed acquisition of the Property, subject to and upon the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Arcadia agree as follows:

1. Until the earlier of: (a) August 31, 2024; or (b) the earlier termination of this Agreement, Arcadia and Arcadia's designated agents and representative (collectively, "**Arcadia's Consultants**") may enter upon the Property solely for the purpose of performing such non-invasive investigations, inspections, analyses, surveys, tests, examinations, and studies as Arcadia deems necessary or desirable in connection with Arcadia's proposed acquisition of the Property (subject to the conditions and limitations set forth herein); provided, however, that Arcadia shall not undertake a phase II environmental site assessment or any other invasive testing without the prior written consent of City, which consent shall not be unreasonably withheld, conditioned or delayed. This Agreement shall immediately terminate and be of no further force or effect (except as may expressly be provided otherwise in this Agreement) effective as of earlier to occur of the following dates: (i) the date upon which either City or Arcadia notifies the other party that it has elected, in its sole discretion, to cease negotiations of a purchase and sale agreement with respect to the Property (a "**Property PSA**"), or (ii) the effective date of a fully executed and delivered Property PSA between Arcadia and City. The parties expressly acknowledge that: (A) neither party has any legal obligation to enter into a Property PSA with respect to the Property, and (B) execution of this Agreement is not intended to, and does not, create any obligation upon either party hereto to enter into a Property PSA.

2. Arcadia's rights of access under this Agreement shall be subject to the following terms and conditions:

(a) City may from time to time establish reasonable rules of conduct for Arcadia and Arcadia's Consultants upon the Property, from time to time, to ensure the safety of all parties upon such property;

(b) Such entry shall be subject to not more than twelve (12) hours' prior written notice to City (which notice may be delivered via email message or text messaging), and such entry shall be conducted during the hours of 9 a.m. to 5 p.m., Monday through Friday, unless otherwise requested by Arcadia. To arrange access to the Property, Arcadia shall contact _____, or such other individuals as City may designate from time to time. City reserves the right to be present, or to have an agent present, in connection with any such entry;

(c) neither Arcadia nor any of Arcadia's Consultants shall have any discussions (in connection with the due diligence being conducted by Arcadia) related to the Property or the transaction contemplated hereby with: (i) any of City's staff, officials, employees, agents, or other representatives, without having

first obtained City's prior consent to such communications and discussions, which may be subject to such conditions as City may deem appropriate in its reasonable discretion; (ii) any City contractors providing services to the Property; or (iii) any other governmental authority having jurisdiction over the Property (other than ordinary contact associated with routine due diligence, including, without limitation, contacting those governmental agencies that are reasonably necessary in order for Arcadia to obtain a customary zoning report for the Property), unless, in each case, Arcadia obtains the prior written consent of City, which shall not be unreasonably withheld or conditioned by City;

(d) Arcadia understands and acknowledges that it enters the Property at its own risk, and permission to enter the Property is conditioned upon Arcadia's agreement and acknowledgement of its assumed risk in entering the Property; and

(e) The results of all soil tests, surveys, phase I environmental site assessments, and other investigations of the Property undertaken by Arcadia shall not be disclosed to any third party or governmental entity without the prior written consent of City, unless such disclosure is required by law or is required in connection with obtaining any necessary permits or approvals; provided, however, that Arcadia shall be permitted to disclose such results to its design professionals, consultants, attorneys, and potential lenders and investors; provided, further, that such parties have been advised of the foregoing confidentiality obligation.

The terms of this Section 2 shall survive the termination of this Agreement.

3. Arcadia shall promptly repair any damage to the Property resulting from the performance of any inspections by Arcadia or Arcadia's Consultants. All such repairs shall: (i) restore the affected portion of the Property to substantially the same condition as existed prior to such damage in all material respects, and (ii) be completed promptly in a first-class manner, in accordance with applicable laws, and to City's reasonable satisfaction. Any restoration work remaining to be completed after thirty (30) days following termination of this Agreement may, at the option and in the sole discretion of City, be completed by City after giving Arcadia written notice with a minimum of five (5) Business Days within which to cure (which cure period shall be extended for so long as Arcadia is diligently pursuing a cure). Arcadia will reimburse City for any costs associated with any such restoration work within thirty (30) days after written demand from City for such costs, together with supporting invoices. This Section 3 shall survive the termination of this Agreement.

4. Arcadia and Arcadia's Consultants shall comply with all federal, state, or local laws, regulations, or ordinances applicable to any activity in which they engage while in, on, or about the Property. Arcadia's Consultants shall be reputable firms, duly licensed under applicable state laws, if required.

5. Each person or entity that enters the Property pursuant to this Agreement shall maintain, or cause to be maintained, the following insurance: (a) a policy of commercial general liability insurance, with a combined single limit of not less than \$1,000,000 (per occurrence) and \$2,000,000 in the aggregate; (b) workers' compensation insurance in statutory limits where the Property is located; (c) employer's liability insurance in an amount not less than \$1,000,000; and (d) automobile liability insurance in an amount not less than \$1,000,000 for each accident. All policies shall name the City and its agents, contractors, mortgagee, tenants, and such other parties as City may reasonably require as additional insureds, insuring against any injury or damage to persons or property that may result from or be related to such entry and testing, all in such forms as are acceptable to City and underwritten by an insurance company reasonably satisfactory to City. A certificate or other evidence of such insurance is to be provided to City before Arcadia's or any Arcadia's Consultant's first entry onto the Property.

6. All activities performed by Arcadia and Arcadia's Consultants on the Property shall be at Arcadia's sole cost and expense. Arcadia shall not allow such entry or testing to result in mechanics' or materialmen's liens being recorded against the Property. Nothing contained in this Agreement shall be construed in any way as

consenting to allow or authorizing Arcadia to subject the Property or the interest or estate of City to any lien or charge in respect of the work contemplated by this Agreement. Arcadia shall immediately discharge of record any such mechanics' or materialmen's lien at Arcadia's sole cost and expense. This Section 6 shall survive the termination of this Agreement.

7. Arcadia shall indemnify, defend, and hold harmless City and City's shareholders, officers, directors, trustees, partners, principals, members, employees, agents, affiliates, representatives, consultants, accountants, contractors, and attorneys or other advisors, and any successors or assigns of the foregoing, from and against any and all losses, costs, damages, liens, claims, liabilities, or expenses (including, without limitation, costs and reasonable attorneys' fees), suffered or incurred by City or any indemnified party arising out of or in connection with any violation of, or failure to comply with, the provisions of this Agreement by Arcadia or Arcadia's Consultants, any activity conducted by Arcadia or Arcadia's Consultants in connection with this Agreement or the exercise of Arcadia's rights under this Agreement, except to the extent such losses, costs, damages, liens, claims, liabilities, or expenses are solely caused by an existing condition at the Property (and to the extent that Arcadia's activities exacerbate any such pre-existing condition, Arcadia shall only be liable to the extent of the exacerbation, but not the underlying condition) or are caused by the gross negligence or willful misconduct of any indemnified party. This Section 7 shall survive the termination of this Agreement.

8. Within ten (10) Business Days after the date hereof, City shall make available to Arcadia, via DropBox or other mutually acceptable online data sharing portal, copies of the materials set forth on **Exhibit A** attached hereto, to the extent in City's possession or reasonable control. Arcadia acknowledges and understands that, except as may be expressly set forth in this Agreement, City makes no representation or warranty whatsoever, express or implied, regarding the Property or the accuracy or completeness of any information or documents provided to Arcadia regarding the Property, including, without limitation, regarding any hazards or dangers found at the Property. Arcadia acknowledges and agrees that, except as may be expressly set forth in this Agreement, all materials, data and information delivered by City to Arcadia in connection with the transaction contemplated hereby are provided to Arcadia as a convenience only and that any reliance on or use of such materials, data or information by Arcadia shall be at the sole risk of Arcadia. Without limiting the generality of the foregoing provisions, Arcadia acknowledges and agrees that, except as may be expressly set forth in this Agreement, (i) any reports or other information with respect to the Property which are delivered or otherwise made available by City to Arcadia shall be for general informational purposes only, (ii) Arcadia shall not have any right to rely on any such reports and/or information delivered or otherwise made available by City to Arcadia, but rather will rely on its own inspections and investigations of the Property and any reports commissioned by Arcadia with respect thereto, (iii) Arcadia shall not have any right to rely on any statements made by a representative of City, and (iv) neither any affiliate of City nor the person or entity which prepared any such reports and/or information delivered or otherwise made available by City to Arcadia shall have any liability to Arcadia for any inaccuracy in or omission from any such reports and/or information.

9. Arcadia agree to keep the terms of this Agreement confidential and not make any public announcements or disclosures with respect to the subject matter hereof without the prior written consent of City; provided, however, that Arcadia may disclose the terms hereof to the Arcadia Consultants. Prior to Closing, Arcadia will treat the information disclosed to it by City, or otherwise gained through Arcadia's access to the Property and City's books and records, as confidential, giving it a level of protection and care that is customary, and make no use of any such disclosed information not independently known to Arcadia except in connection with the transactions contemplated hereby; provided, however, that Arcadia may, without the consent of City, disclose such information: (a) to Arcadia's Consultants and its prospective and actual investors and lenders (the "**Transaction Parties**"), so long as any such Transaction Parties to whom disclosure is made shall also agree to keep all such information confidential in accordance with the terms hereof; and (b) if disclosure is required by law or by regulatory or judicial process (including, without limitation, as required by any securities exchange on which Arcadia's or its affiliates' shares are listed); provided, that in such event, Arcadia shall notify City of such required disclosure, shall exercise all commercially reasonable efforts to preserve the confidentiality of the confidential information, including,

without limitation, reasonably cooperating with City (at City's sole expense) to obtain an appropriate order or other reliable assurance that confidential treatment will be accorded such confidential information and shall disclose only that portion of the confidential information which Arcadia is legally required to disclose. Notwithstanding the foregoing, the confidentiality provisions of this Section 9 shall not apply to any information or document which: (i) is or becomes generally available to the public other than as a result of a disclosure in violation of this Agreement; (ii) subject to compliance with clause (b) in this Section 9 above, is required by law or court order to be disclosed, or (iii) is disclosed in connection with any litigation relating to this Agreement and/or the Property Agreement (if executed). Arcadia will bear the burden of proof with respect to any claims under this Section 9 regarding its handling of the information disclosed to it by City. City, City's Consultants, Arcadia, and Arcadia's Consultants shall each refrain from generating or participating in any publicity or press release regarding this transaction without the prior written consent of the other party, as applicable, which consent shall not be unreasonably withheld, conditioned or delayed; however, it shall be reasonable for a party to withhold its consent if the publicity or press release discloses either: (y) such party's identity; or (z) the Purchase Price. The provisions of this Section 9 shall survive the termination of this Agreement.

10. If either party terminates negotiations of the Property PSA for any reason whatsoever, Arcadia shall promptly return to City copies of all due diligence materials delivered by City to Arcadia and shall destroy all copies and abstracts thereof, subject to Arcadia's customary document retention policies. In addition, if Arcadia elects not to proceed with the purchase of the Property, then at the request of City, Arcadia shall deliver to City, without representation or warranty by Arcadia or any right to rely thereon by City, copies of any third-party physical or environmental tests and reports of the Property made and conducted by Arcadia or Arcadia's Consultants that are in Arcadia's possession or control that City desires to receive. This Section 10 shall survive the termination of this Agreement.

11. An event of default under this Agreement shall include any violation of the terms of this Agreement or the breach of any covenant by Arcadia. Arcadia shall have no rights under this Agreement if and for so long as Arcadia is in default under this Agreement. This Agreement shall terminate upon an event of default by Arcadia. City's approval of any matter under this Agreement shall not constitute an opinion or agreement by City that the same is in compliance with applicable laws or adequate for the purposes specified.

12. Arcadia shall not have the right to assign its rights under this Agreement without City's written consent, in City's sole discretion; provided, that Arcadia may assign this Agreement to an affiliate through common ownership that does not equate to a change in control. Any change in control of Arcadia constitutes an assignment for purposes of this Agreement.

13. This Agreement may only be amended by an agreement in writing, signed by the party to be charged. In no event shall this Agreement or any document or memorandum of this Agreement be recorded without the prior consent of City, in its sole discretion.

14. This Agreement shall be governed by and interpreted in accordance with the laws of Oregon, and exclusive venue shall lie with the state and federal courts located in the State of Oregon. IN ANY LAWSUIT OR OTHER PROCEEDING INITIATED BY A PARTY HERETO UNDER OR WITH RESPECT TO THIS AGREEMENT, CITY AND ARCADIA EACH WAIVE ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY.

15. No waiver by either party of any failure to comply with this Agreement shall be deemed a waiver of any other or subsequent failure to so comply. If any provision of this Agreement or its application to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or its application to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

16. This Agreement may be executed by the parties hereto in multiple counterparts, each of which when so executed and delivered shall be an original for all purposes, with all such counterparts together constituting one and the same instrument. A signed copy of this Agreement delivered by email or DocuSign (or other similar electronic signature) shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

17. Any signatory to this Agreement who is the prevailing party in any legal proceeding against any other signatory brought in connection with this Agreement or transaction shall be additionally entitled to recover court costs and reasonable attorney fees, and all other litigation expenses, including deposition costs, travel and expert witness fees, from the non-prevailing party.

18. Any notice, consent or other communication permitted or required by this Agreement shall be in writing, and shall be given to each party, at the address set forth below, in the following manner: (a) personal delivery, (b) reputable overnight delivery service with proof of delivery, (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, (d) legible facsimile transmission (provided documentation of completed transmission is retained), or (e) email. Such notice shall be deemed to have been given or delivered upon the date of actual receipt or delivery (or refusal to accept delivery), as evidenced by the notifying party's receipt of written or electronic confirmation of such delivery, refusal, or delivery failure despite use of the correct email notice address, if received by the party to be notified between the hours of 8 a.m. and 5 p.m. Pacific time on any business day, with delivery made after such hours to be deemed received on the following business day. Unless and until changed as provided below, the addresses for notices given pursuant to this Agreement shall be as follows:

To City: City of St. Helens
Attention: John Walsh, City Administrator
265 Strand St.
St. Helens, Oregon 97051
Tel: 503.366.8211
Email: jwalsh@sthelensoregon.gov

with a copy to: Jordan Ramis PC
Attention: David Rabbino
1211 SW 5th Avenue, Suite 2700
Portland, OR 97204
Tel: 503.598.5536
Email: david.rabbino@jordanramis.com

To Arcadia: c/o John F. Pierce
Kilpatrick Townsend & Stockton
1420 5th Avenue
Suite 3700
Seattle, WA 98104
Email: jfpierce@ktslaw.com

Any party may change its address for purposes of this Section 18 by giving written notice as provided in this Section 18. All notices and demands delivered by a party's attorney on a party's behalf shall be deemed to have been delivered by said party. Notices shall be valid only if served in the manner provided in this Section 18.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

CITY:

ARCADIA

CITY OF ST. HELENS, OREGON

ARCADIA PROJECT LLC

an Oregon municipal corporation

a State of Delaware limited liability company

By: _____
Name: _____
Title: _____
Date Executed: _____



By: _____
Name: John F. Pierce
Title: Partner
Date Executed: July 30, 2024

Exhibit A
Due Diligence Request List from Arcadia

City shall provide to Arcadia the following:

1. Pertaining to electrical service relating to the Property:
 - a. All information in City's possession regarding the Property's electrical service and bills for all accounts serviced by the relevant utility, PGE, for the period from January 1, 2018, to the present.
 - b. All information in City's possession regarding the Property's electrical substation current ownership and leases.
2. Pertaining to taxes and fees relating to the Property:
 - a. All records in City's possession regarding taxes and fees for services imposed on the previous company operating the paper mill for the period from January 1, 2018, to July 1, 2023.
 - b. All information in City's possession regarding any fines imposed by the state, county or city on the previous operators at the mill within the last ten (10) years of the date of this LOI.
3. Pertaining to effluent discharge of the Property:
 - a. All records in City's possession regarding sewer fees, usage charges, and rate structure imposed on the previous operator of the paper mill from January 1, 2018, to July 1, 2023.
 - b. All information in City's possession defining any current limitations for mill discharge to the city waste treatment including, but not limited to flow rate, BOD, COD, color, and suspended solids.
 - c. All information in City's possession regarding any future changes planned for wastewater discharge system or permits associated with the Property.
4. Pertaining to environmental indemnification and environmental issues related to the Property:
 - a. All information in City's possession regarding the fifty (50) year environmental indemnity provided to City by the previous owners of the Property (the "Environmental Indemnity").
 - b. All information in City's possession regarding any notice and response regarding the Environmental Indemnity since the indemnity's inception.
 - c. Any Environmental Indemnity related or documents provided to City by the previous operators of the Property prior to City.
 - d. All information in City's possession regarding City's Phase 1 environmental study or studies conducted at the Property.
 - e. described 2 environmental study or studies conducted at the Property.
 - f. All records in City's possession regarding past and ongoing environmental monitoring at the Property.
 - g. All information in City's possession regarding any environmental issues at the Property.
5. Pertaining to air emissions and discharge permits related to the Property:
 - a. All copies of and all information in City's possession of all permits for air emissions and discharge for both paper machines.

6. Pertaining to boiler operation permits related to the Property:
 - a. All copies of and information in City's possession regarding all necessary permits for the current boilers.
7. Pertaining to wastewater permits related to the Property:
 - a. All copies of and information in City's possession regarding all permits related to wastewater.
8. Pertaining to pressure vessel permits related to the Property:
 - a. All copies of and information in City's possession regarding all permits related to pressure vessels.
9. Pertaining to river water supply permits related to providing water the Property:
 - a. All copies of and information in City's possession regarding all permits related to the river water supply.
10. Pertaining to storm water permits related to the Property:
 - a. All copies of and information in City's possession regarding all permits related to the storm water.
11. Pertaining to occupancy permits related to any buildings and land described in **Exhibit A**:
 - a. All copies of and information in City's possession regarding all permits related to occupancy.
12. All information in City's possession regarding building plans for all buildings located upon the Land.
13. All information in City's possession regarding any action taken by City to require maintenance, repair or upgrade to any building or structure located on the Land during the ten (10) years prior to the date of this Agreement.
14. All records in City's possession revoking occupancy permit, threatening revocation of occupancy permit and reinstatement of occupancy permit for any building subject to purchase pursuant to this Agreement.
15. All information in City's possession regarding building permits, permit applications, engineering provided for review, review comments on engineering, permits granted for either temporary repair or permanent repair regarding the number 3 paper machine building specifically, as well as any other building located at the Land during the ten (10) years prior to the date of this Agreement.
16. All information in City's possession regarding the Property's current flood maps for Milton Creek and the Land.
17. All information in City's possession regarding public complaints about the Property and previous operators during the ten (10) years prior to the date of this Agreement.
18. All information in City's possession regarding any lien on the Property.