

**EXHIBIT C**  
**ENVIRONMENTAL INDEMNITY AGREEMENT**

**I. PARTIES**

This Environmental Indemnity Agreement is made and entered into between the following parties:

The City of Sweet Home, an Oregon municipal corporation (hereinafter “the City”)

Reliable Welding, Inc., an Oregon corporation (“Reliable Welding”)

Danley P. Hutchins, Linda L. Hutchins, Nickey B. Hutchins, and Juanita G. Hutchins (collectively “Hutchins”)

**II. RECITALS**

- A. The City is the owner of that certain property located at 1320 24<sup>th</sup> Avenue, Sweet Home, Oregon. This property is approximately 4.48 acres in size and is identified as Tax Lot 2201 on Linn County Tax Assessment Map 13 1E 29 (“Property 1”).
- B. Reliable Welding is the owner of adjoining property to the south located at 2324 Main Street, Sweet Home, Oregon. This property is approximately .31 acres in size and is identified as Tax Lot 1400 on Linn County Tax Assessment Map 13S 1E 32BA (“Property 2”).
- C. The City intends to widen 24<sup>th</sup> Avenue north of Main Street (State Highway 20) and has requested that Reliable Welding convey 4,152 square feet of property along its eastern boundary (the “Exchange Area”).
- D. In exchange, for the Exchange Area of Property 2, the City has offered to convey via partition two parcels along the southern end of Property 1 totaling 13,977.3 square feet to Hutchins. The two parcels of land are depicted in the attached Property Exhibit as “Proposed Parcel 2” – 8,863.49 square feet – and “Proposed Parcel 3” – 5,113.81 square feet (collectively “the Parcels”).
- E. The Parcels currently provide a parking area for Property 1. Property 1 was previously operated as a truck stop and fueling station for the Willamette Industries Mill from 1940 to 1973 and was a truck maintenance and fueling area for the Wimer Logging Truck Shop from 1986 to 2002. The Parcels were subject to extensive environmental testing and remediation efforts, with several underground storage tanks and some contaminated soil removed between 1988 and 2001, and approximately 110 tons of contaminated soil removed from the property in 2005. On January 15, 2021, the Oregon Department of Environmental Quality issued a No Further Action letter for the southern portion of Property 1, concluding that the contaminant concentrations on the property are below occupation-based concentrations and that the site requires no further action under Oregon Environmental Cleanup Law unless new or previously undisclosed information becomes available or more contamination is discovered.

- F. The Exchange Area currently provides parking for Property 2.

### III. AGREEMENT

1. Recitals. The foregoing Recitals are incorporated into and made part of this Environmental Indemnity Agreement.
2. City Indemnity. The City hereby agrees to indemnify, hold harmless and defend (by counsel of Hutchins' choice) Hutchins, their employees, agents, heirs, successors and assigns from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including but not limited to reasonable attorneys' fees and expenses), arising directly or indirectly, in whole or in part, out of (a) the presence on or under the Parcels of any Hazardous Materials, or any releases or discharges of any Hazardous Materials on, under, or from the Parcels, or (b) any activity carried on or undertaken on or off the Parcels, whether prior to the Exchange or during the period when the City continues to use the Parcels, and whether by the City or any predecessor in title or any employees, agents, contractors or subcontractors of the City or any predecessor in title, or any third persons occupying or present on the Parcels, in connection with the handling, treatment, removal, storage, decontamination, clean-up, transport or disposal of any Hazardous Materials located or present on or under the Parcels. The foregoing indemnity shall further apply to any residual contamination on or under the Parcels, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with applicable laws, regulations, codes and ordinances. The City hereby acknowledges and agrees that, notwithstanding any other provision of the Exchange Agreement, this Environmental Indemnity or any of the other document to the contrary, the obligations of the City shall be its unlimited obligation. Notwithstanding the foregoing, the preceding indemnity shall not apply to any release or discharge of Hazardous Materials which occurs after the Parcels have been conveyed to Hutchins and the City has ceased to make any use of the Parcels, unless the release or discharge is the result of the activities of the City, its employees, agents, contractors or subcontractors.
3. Reliable Welding Indemnity. Reliable Welding hereby agrees to indemnify, hold harmless and defend (by counsel of the City's choice) the City, its employees, agents, heirs, successors and assigns from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including but not limited to reasonable attorneys' fees and expenses), arising directly or indirectly, in whole or in part, out of (a) the presence on or under the Exchange Area of any Hazardous Materials, or any releases or discharges of any Hazardous Materials on, under or from the Exchange Area, or (b) any activity carried on or undertaken on or off the Exchange Area, whether prior to the Exchange or during the period when Reliable Welding continues to use the Exchange Area, and whether by Reliable Welding or any predecessor in title or any employees, agents, contractors or subcontractors of Reliable Welding or any predecessor in title, or any third persons occupying or present on the Exchange Area, in connection with the handling, treatment, removal, storage, decontamination, clean-up,

transport or disposal of any Hazardous Materials located or present on or under the Exchange Area. The foregoing indemnity shall further apply to any residual contamination on or under the Exchange Area, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with applicable laws, regulations, codes and ordinances. Reliable Welding hereby acknowledges and agrees that, notwithstanding any other provision of the Exchange Agreement, this Environmental Indemnity or any of the other document to the contrary, the obligations of Reliable Welding shall be its unlimited obligation. Notwithstanding the foregoing, the preceding indemnity shall not apply to any release or discharge of Hazardous Materials which occurs after the Exchange Area has been conveyed to the City and Reliable Welding has ceased to make use of the Exchange Area except as a part of the City's transportation infrastructure, unless the release or discharge is the result of the activities of Reliable Welding, its employees, agents, contractors or subcontractors.

4. City Obligation to Remedy. In the event (i) contamination of the Parcels by any Hazardous Materials is discovered to have occurred which causes the Parcels to be in violation of the Hazardous Materials Laws, or (ii) any change occurs in Hazardous Materials Laws which causes the Parcels to be in violation of Hazardous Materials Laws, the City shall promptly take any and all steps necessary to bring the Parcels into compliance with Hazardous Materials Laws as then in effect, including, without limitation, removal, containment or any other remedial action required by applicable governmental authorities. Notwithstanding the foregoing, the preceding obligation to remedy shall not apply to any release or discharge of Hazardous Materials which occurs after the Parcels have been conveyed to Hutchins and the City has ceased to make any use of the Parcels, unless the release or discharge is the result of the activities of the City, its employees, agents, contractors or subcontractors. In addition, this provision does not obligate the City to engage in removal, containment or other remedial action required by applicable government authorities to make the Parcels suitable for residential use.
5. Reliable Welding Obligation to Remedy. In the event (i) contamination of the Exchange Area by any Hazardous Materials is discovered which causes the Exchange Area to be in violation of Hazardous Materials Laws, or (ii) any change occurs in Hazardous Materials Laws which causes the Exchange Area to be in violation of Hazardous Materials Laws, Reliable Welding shall promptly take any and all steps necessary to bring the Exchange Area into compliance with Hazardous Materials Laws as then in effect, including, without limitation, removal, containment or any other remedial action required by applicable governmental authorities. Notwithstanding the foregoing, the preceding obligation to remedy shall not apply to any release or discharge of Hazardous Materials which occurs after the Exchange Area has been conveyed to the City and Reliable Welding has ceased to make use of the Exchange Area except as a part of the City's transportation infrastructure, unless the release or discharge is the result of the activities of Reliable Welding, its employees, agents, contractors or subcontractors. In addition, this provision does not obligate Reliable Welding to engage in removal, containment or other remedial action required by applicable government authorities to make the Exchange Area suitable for residential use.
6. Construction. This Environmental Indemnity Agreement shall be construed to provide the indemnified parties with the maximum protection possible against environmental

liabilities of every kind related to the Parcels and Exchange Area. In the event of a conflict between any provision of this Environmental Indemnity Agreement and any provision of the Exchange Agreement, the provision offering the indemnified party the most protection under the circumstances shall control. In the event any provision of this Environmental Indemnity Agreement shall be finally determined by a court of competent jurisdiction to be invalid or unenforceable, the balance of the terms of this Environmental Indemnity Agreement shall remain in full effect and shall be construed to provide the indemnified party with the maximum protection possible.

7. Governing Law. This Environmental Indemnity Agreement shall be governed by and construed according to Oregon law.
8. Legal Proceedings. If any proceeding is commenced for the purpose of enforcing any provision of this Environmental Indemnity Agreement, the prevailing party in such proceeding shall be entitled to recover reasonable attorney fees in such proceeding, and any appeal thereof, in addition to the costs and disbursements allowed by law.
9. Counterparts. This Environmental Indemnity Agreement may be executed in counterparts, including counterparts received by facsimile or electronic transmission, each counterpart constituting an original.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2021.

CITY:  
City of Sweet Home, an Oregon  
municipal corporation

\_\_\_\_\_  
Raymond Towry, City Manager

RELIABLE WELDING:  
Reliable Welding, Inc., an Oregon  
corporation

\_\_\_\_\_  
Nickey B. Hutchins, President

HUTCHINS:

\_\_\_\_\_  
Danley P. Hutchins

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Linda L. Hutchins

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Nickey B. Hutchins

\_\_\_\_\_  
Juanita G. Hutchins