

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE	)	RESOLUTION NO. 98-2613
EXECUTIVE OFFICER TO CONTRACT WITH	)	
TREXLER AND ASSOCIATES FOR	)	
REFORESTATION ASSISTANCE ON METRO	)	Introduced by Mike Burton
PROPERTIES	)	Executive Officer

WHEREAS, in July 1992, Metro completed the Metropolitan Greenspaces Master Plan which identified a desired system of natural areas interconnected with greenways and trails; and

WHEREAS, at the election held on May 16, 1995, the Metro area voters approved the Open Spaces, Parks and Streams Bond Measure (Ballot Measure 26-26) which authorized Metro to issue \$135.6 million in general obligation bonds to finance open space land acquisition and capital improvements; and

WHEREAS, the Open Spaces Implementation Plan provides for long-term stabilization measures, including reforestation to be performed by Metro on its open spaces lands; and,

WHEREAS, reforestation is necessary on specific open space acquisitions in order to "stabilize" or prevent further degradation of the property in the most cost-effective manner; and,

WHEREAS, UtiliTree Carbon Company, a subsidiary of a consortium of utility companies, is seeking to fund reforestation projects for the possible future benefits of receiving credit for sequestering carbon; and,

WHEREAS, Trexler and Associates, Inc. is the reforestation contractor for UtiliTree Carbon Company; and,

WHEREAS, a contract between Metro and Trexler and Associates has been developed that outlines tree planting and maintenance responsibilities and commits funds from Trexler for reforestation efforts; and,

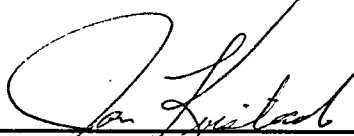
WHEREAS, the contract attached to this resolution as Exhibit A sets forth management and maintenance guidelines for reforestation of Metro-owned open space properties specified in the contract; and,

WHEREAS, the reforestation projects are designed specifically for the benefit of Metro's natural areas, thereby, the Metro Policy Related to the Review of Easement Right-of-Ways, and Leases for Non-Park Uses is not applicable; now therefore,

BE IT RESOLVED,

That the Metro Council approves and authorizes the Metro Executive Officer to execute the contract between Metro and Trexler and Associates, Inc. for tree planting and maintenance on specified Metro-owned properties.

ADOPTED by the Metro Council this 5<sup>th</sup> day of March, 1998.

  
\_\_\_\_\_  
Jon Kvistad, Presiding Officer

Approved as to Form:

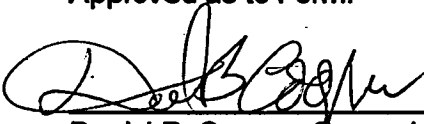
  
\_\_\_\_\_  
Daniel B. Cooper, General Counsel

EXHIBIT A

Resolution No. 98-2613

**WESTERN OREGON CARBON OFFSET PROJECT  
TREE PLANTING AND MAINTENANCE AGREEMENT**

**BETWEEN:** Metro  
600 N.E. Grand Ave.  
Portland, OR 97232

**AND:**  
Trexler and Associates, Inc.  
1131 S.E. River Forest Road  
Portland, Oregon 97267-3513

**DATE:** \_\_\_\_\_, 1998

**RECITALS**

A. Metro wants to use its real property for silvicultural purposes, but is unable to do so without financial and technical assistance. Metro's property would likely remain unforested or substantially understocked for the term of this Agreement, as defined below, but for the efforts of the Parties under this Agreement.

B. In order secure rights to greenhouse gas benefits, UtiliTree Carbon Company, Inc., through a program administered by Trexler and Associates, Inc. (TAA), wishes to help Metro pay for the tree planting and other forest establishment costs associated with reforestation of some of Metro's land.

C. This Tree Planting and Maintenance Agreement is intended to cause, in accordance with UtiliTree and TAA's goals, greenhouse gases to be sequestered in the planted trees for an extended period as specified elsewhere in this Agreement and to ensure that TAA retains all rights to any greenhouse gases sequestered through this Agreement.

D TAA is willing to provide funding for the reforestation only to the extent and on the terms and conditions set forth in this Agreement.

THEREFORE, in consideration of the terms set forth in this Agreement, TAA and Metro (hereinafter jointly referred to as the Parties) agree as follows:

- 1 **Qualifying Property.** "Qualifying Property" is real property that is: a) non-industrial forest land, residentially zoned land, or agricultural land; b) not currently forested either by reason of physical disaster or due to previous use for a minimum of 10 years as agricultural or pasture land; c) not capable of near-term natural regeneration nor required

to be reforested under state or federal regulations; d) suitable for planting; and e) characterized as Site Class II and Site Class III lands as defined and rated by the Oregon Department of Forestry.

- 2 Cost Sharing. TAA will administer the carbon sequestration program (the Program) in cooperation with Metro.
  - 2.1 Metro and TAA and its forester will cooperatively carry out site preparation, seedling procurement, planting, and plantation oversight activities with the objective of maintaining a minimum of 350 seedlings per acre "free to grow" after five years, as more particularly set forth in the General Land Use and Management Plan, attached hereto as Exhibit C and by this reference incorporated herein.
  - 2.2 Metro and TAA will cooperatively implement measures to manage competing vegetation and control and prevent animal predation for years 1-5, with the objective of maintaining a minimum of 350 seedlings per acre "free to grow" after five years, as more particularly set forth in the Land Use and Management Plan.
  - 2.3 The Parties agree that cost-sharing under this Program will be contingent on documentation as described below.
    - 2.3.1 Property. Metro warrants that it owns in fee simple the property described in the deed included in Exhibit A subject only to the encumbrances described in Exhibit A. The tree planting sites (hereafter, the "sites") are shown on the map included as part of Exhibit A. Map boundaries and markings are to be in black and white only. Metro warrants that the tree planting sites on its property constitute Qualifying Property. As a condition to the advancement of cost sharing funds under this Agreement, Metro must certify in the form attached as B that the tree planting sites constitute Qualifying Property. Exhibits A and B are hereby incorporated by reference.
- 3 Tree Ownership. Ownership of the trees planted pursuant to this Agreement remains in Metro.
- 4 Limits on Tree Harvesting. Metro agrees not to damage, destroy, or harvest the trees planted pursuant to this Agreement for the normal rotation period in this region, namely 65 years. Pre-commercial thinnings between ages 12 and 15 years and commercial thinnings at approximately 20-year intervals may be performed as long as the stand remains fully stocked, and the residual trees are free to grow as defined in the Land Use and Management Plan, and thinnings are conducted within the parameters outlined in the same Plan.

4.1 Notwithstanding the above limits, TAA acknowledges, and TAA agrees that, at any time and at Metro's sole discretion, Metro's Landbanking Staff and/or Parks and Greenspaces Operations and Maintenance Staff, under the direction of the Metro Parks and Greenspaces Director and pursuant to a Metro management plan, or by virtue of any other Open Spaces or Parks objective, may remove trees planted pursuant to this Agreement. In return, Metro agrees to plant an equivalent tree species on Qualifying Property in accordance with paragraph 7 set forth below. Metro shall provide thirty days written notice before removing trees pursuant to this subsection, and shall exert best efforts to cooperate fully with TAA in the exercise of Metro's rights hereunder.

5 Consideration. In return for cost sharing, Metro agrees that the following forest establishment procedures may take place on Metro's Qualifying Property:

- 5.1 Metro and TAA will cooperatively prepare the sites for tree planting, as more particularly set forth in the Land Use and Management Plan;
- 5.2 Metro and TAA will cooperatively implement the planting of trees at a density of approximately 434 seedlings per acre on approximately a 10 foot by 10 foot spacing, as more particularly set forth in the Land Use and Management Plan;
- 5.3 Metro shall ensure that the seedlings are planted no closer than 100 feet from utility lines and feeder lines;
- 5.4 To the extent of Metro's obligation under the Land Use and Management Plan, Metro shall provide adequate protection from animals, competing vegetation and shading for the seedlings immediately after planting and during the first and second years after planting, so as to achieve the survival rates specified in Exhibit C, the Land Use and Management Plan;
- 5.5 Metro shall make reasonable efforts to comply with the Land Use and Management Plan set forth in Exhibit C and otherwise undertake efforts consistent with good silvicultural practice in the region to nurture the trees, suppress fires, thin trees, and control damage by wildlife, insect, and disease;
- 5.6 Metro shall report promptly to TAA any change in the condition of the trees that impedes implementation of the Land Use and Management Plan and seek technical assistance to mitigate the consequences of the change;
- 5.7 Metro shall allow TAA or its representatives to enter the Property at reasonable times upon reasonable notice to Metro, to periodically inspect, monitor, and gather information concerning the trees and carbon sequestration, and to assess Metro's compliance with the Land Use and Management Plan.

- 6 **Remedies.** The Parties acknowledge that the damages that TAA will incur if Metro damages, destroys, or harvests the trees planted pursuant to this Agreement in breach of this Agreement will be difficult to ascertain. The Parties therefore select the following liquidated damages clause and conclusively agree that the damages measured by this clause are reasonable. Except as otherwise provided in Section 7 of this Agreement, if trees planted through this program in the areas outlined in Exhibit A are damaged or destroyed because Metro fails to carry out its responsibilities under Section 2, does not exercise acceptable silvicultural practices pursuant to Exhibit C, or damages, destroys or prematurely harvests trees subject to this Agreement, Metro shall re-pay to TAA the original cost-sharing funds advanced to purchase and plant the trees on the affected acres, plus interest at the rate of five (5) percent per annum (compounded annually). This interest shall accrue starting on the date on which the funds were advanced until the date on which the trees were damaged, destroyed or prematurely harvested, or 40 years after planting, whichever is earlier.
- 6.1 **Notice of Failure.** If TAA determines that Metro has violated or is in violation of the terms of this Agreement or that a violation is threatened, TAA or its representatives shall give written notice to Metro of the violation and demand corrective action sufficient to cure the violation.
- 6.2 **Metro's Failure to Respond.** If Metro fails to cure the violation within thirty (30) days after receipt of notice from TAA, or if the violation cannot reasonably be cured within the 30-day period and Metro fails to indicate within that period how and when the violation will be cured, TAA may bring an action pursuant to Section 6 of this Agreement in a court of competent jurisdiction.
- 7 **Purposeful Removal.** If trees planted pursuant to the Land Use and Management Plan are removed due to Metro's, its employees', or its agents' actions consistent with paragraph 4.1 above, Metro shall replant an equivalent species of tree to those removed on Qualifying Property in another location, which species and location shall be determined by mutual agreement of Metro and TAA. Said replanting shall be at a ratio of two-to-one based on land area underlying the trees planted pursuant to the Land Use and Management Plan and later removed by Metro, and shall be consistent with the standards set forth in the Land Use and Management Plan, Section 2, and Section 5 of this Agreement. Metro shall thereafter maintain said replantings consistent with the standards set forth in the Land Use and Management Plan, Section 2 and Section 5 of this Agreement, so that they may be free to grow, at a ratio of 350 per acre, after five years.
- 8 **Acts Beyond Metro's Control.** If the trees are damaged or destroyed through events that could not reasonably be controlled or suppressed by Metro with prudent action, the remedies available to TAA in Section 6 shall not apply and repayment of the original cost-share shall not be required. In the case of a partial stand failure under this section, Metro shall notify TAA and shall send to TAA a stand map that appropriately represents the area of stand failure. Cumulative stand failures of less than two acres or 10 percent of

the stand in any single year shall not require notification. Acreage or portions of a stand suffering at greater than 50 percent seedling loss which is not replanted pursuant to Section 9 below shall no longer be subject to the terms and conditions of this Agreement. For stands in which more than half of the acreage is released from the conditions of this Agreement in this way, the remedies to be paid by Metro to withdraw the balance of its acreage from this Agreement will be pro-rated based on the overall seedling survival rate of the stand in question.

9 **Replanting Option.** TAA or its agents, at its sole expense and discretion and under the same terms governing the original planting, has the option to replant the site for two planting seasons after the trees are destroyed due to events described in Section 8, above. If TAA does so, TAA retains all rights to the greenhouse gases sequestered in the replanted trees.

10 **Sequestration of Greenhouse Gases.** The Parties agree that any and all rights to any greenhouse gas benefits associated with the trees planted under this Agreement are retained by TAA, regardless of the eventual regulatory characterization or valuation of greenhouse gas benefits, and regardless of whether greenhouse gas benefits are considered personal or real property. Metro shall provide evidence as may reasonably be required by TAA pursuant to any future regulatory requirements to confirm TAA's rights to the carbon offsets or credits or to enable TAA to transfer or otherwise use the carbon offsets or credits. Metro shall be compensated by TAA for Metro's reasonable expenses incurred in providing this evidence.

11 **Costs, Liabilities, Taxes and Indemnification.**

11.1 **Liabilities.** Metro retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, and maintenance of the Qualifying Property, including the trees and the tree planting sites, except as expressly provided elsewhere in this Agreement.

11.2 **Taxes.** Metro shall pay all taxes, assessments, and fees, if any, levied on the Qualifying Property, including the tree planting sites.

11.3 **Environmental Representations and Warranties.** Metro represents that to the best of Metro's knowledge, without duty to inquire:

11.3.1 There has been no release, dumping, abandonment, or migration from off-site onto the Qualifying Property of any substances or wastes that are hazardous, toxic, or harmful; which contain components that are hazardous, toxic, or harmful; or which are pollutants, as defined by any federal, state, or local law or regulation; and

11.3.2 There is no pending or threatened litigation affecting the Qualifying Property that will materially impair the purpose of this Agreement.

11.4 Metro's Indemnification. Metro agrees to defend at Metro's cost and to indemnify and hold harmless TAA and its officers, directors, employees, agents, successors and assigns, from and against any and all claims, demands, actions, and suits asserted or brought by any third party resulting from any act or omission occurring on the Qualifying Property due solely to negligence, willful misconduct, or breach of a representation under this Agreement of Metro or its representatives, subject to the limitations and conditions of the Oregon Constitution and the Oregon Tort Claims Act, ORS Chapter 30.

11.5 TAA's Indemnification. TAA agrees to defend at its cost and to indemnify and hold harmless Metro and its officers, directors, employees, agents, successors and assigns, from and against any and all claims, demands, actions, and suits asserted or brought by any third party resulting from any act or omission occurring on the Qualifying Property due solely to negligence, willful misconduct, or breach of a representation under this Agreement of TAA or its representatives.

## 12 Term of Agreement.

If the separate agreement between UtiliTree Carbon Company and TAA (UtiliTree/TAA Contract) should be terminated at any time, TAA's obligations to fund the Program, set forth in Section 2 of this Agreement, shall terminate, effective on the date that the UtiliTree/TAA Contract is terminated. All remaining-terms and conditions of this Agreement shall remain in full force and effect.

## 13 General Provisions.

13.1 Headings. The headings in this agreement are for convenience only and shall not affect its interpretation. The actual wording governs interpretation.

13.2 Governing Law. This agreement shall be governed by the laws of the state of Oregon applicable to contracts executed and performed within the state.

13.3 Liberal Construction. This Agreement shall be liberally construed in favor of its terms to effect the purpose of the Agreement and its Exhibits. If any provision in this Agreement is found to be ambiguous, an interpretation consistent with the purpose of the Agreement that would render the provision valid shall be favored over any interpretation that would render it invalid.

13.4 Severability. If any provision of this Agreement or its Exhibits is found to be invalid, the remainder of the Agreement's provisions shall not be affected.



- 13.5 Waiver. A Party's failure to insist on the strict performance of any provisions of this Agreement, or to exercise any right, power, or remedy upon a breach of this Agreement, shall not constitute a waiver of any provision of this Agreement or limit the Party's fight thereafter to enforce any provision or exercise any right under the Agreement.
- 13.6 Dispute Resolution. If a dispute arises between the Parties concerning the consistency of any proposed use or activity with the purpose of this Agreement or its Exhibits, the Parties shall attempt resolution. Thereafter, either Party may refer the dispute to mediation or arbitration by request made in writing upon the other Party. The matter shall be settled in accordance with the mediation or arbitration statute in effect in Oregon.
- 13.7 Notices. All notices, payments, and other required or discretionary communications ("Notices") shall be in writing and shall be addressed to the receiving- party at the address set forth above or any subsequent address provided by one Party to another. All Notices shall be given by personal delivery, or by registered or certified mail return receipt requested.
- 13.8 Entire Agreement. This Agreement and the attached Exhibits, which are incorporated by reference, constitute the entire Agreement between the Parties. There are no other agreements, understanding, restrictions, warranties, or representations between the Parties concerning the subject matter of this Agreement and the Exhibits.
- 13.9 Relationship of the Parties. The relationship between the Parties is solely that of independent contract, and this Agreement shall not be interpreted to establish a partnership, joint venture, principal/agent, or any relationship other than that of independent contract.
- 13.10 Insurance. TAA agrees that it and its subcontractors shall maintain commercial general liability insurance and workers' compensation insurance in accordance with law. Upon request of Metro, TAA or its subcontractor shall provide a certificate of insurance for each policy.
- 13.11 Amendment. This Agreement may be amended only in writing and only by an instrument signed by the Parties. Any amendment to this Agreement shall be recorded in the official records of the county in which the Qualifying Property is located.
- 13.12 Acknowledgments. By signing and acknowledging this Agreement in the presence of a witness, Metro acknowledges having read and understood the Agreement and Exhibits, including the Land Use and Management Plan.

**IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AGREEMENT AS OF THE DATE SET FORTH ABOVE.**

**METRO:**

\_\_\_\_\_  
**Mike Burton**  
**Metro Executive Officer**

**TREXLER AND ASSOCIATES, INC.**

**By:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

EXHIBIT A

**WESTERN OREGON CARBON OFFSET PROJECT  
TREE PLANTING AND MAINTENANCE AGREEMENT**

**Ownership Documents and Description of Tree Planting Sites**

**To be provided by landowner**

1. DEED SHOWING PROPERTY OWNERSHIP
2. LEGAL PLAT OF PROPERTY (MAP)
3. MAP SHOWING TREE PLANTING SITES AND SHOWING PROPERTY SUBJECT TO EASEMENT

WARRANTY DEED

This Space Reserved for Recorder's Use

GRANTOR: The Halton Company

GRANTEE: Metro

Until a change is requested, all tax statements shall be sent to the following address:

Metro  
600 NE Grand Ave.  
Portland, OR 97232

Escrow No. C637708LG Title No. C637708-TL

After recording return to:

Metro  
600 NE Grand Ave.  
Portland, OR 97232  
Attn: April Olbrich

Recorded By TICOR-TITLE

STATUTORY WARRANTY DEED

THE HALTON COMPANY, an Oregon corporation, as to Parcel 1, and ANNA B. ALFORD, and R.C. GOHEEN, as tenants in common, as to Parcel 2 Grantor, conveys and warrants to METRO, a municipal corporation of the State of Oregon under ORS Chapter 268 and the 1992 Metro Charter Grantee, the following described real property free of encumbrances except as specifically set forth herein situated in Clackamas County, Oregon, to wit:

SEE 'LEGAL DESCRIPTION' ATTACHED HERETO AND BY REFERENCE MADE A PART HEREOF.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.0930. The said property is free from encumbrances except:

SEE "DEED EXCEPTIONS" ATTACHED HERETO AND BY REFERENCE MADE A PART HEREOF.

The true consideration for this conveyance is \$2,684,857.00 (Here comply with the requirements of ORS 93.030)

Dated this 29 day of January 19 96

Anna B. Alford  
Anna B. Alford  
R.C. Goheen  
R.C. Goheen

The Halton Company  
By: Mark  
Its: Treasurer

State of Oregon, County of Multnomah  
The foregoing instrument was acknowledged before me this 24th day of January, 1996 by  
R. C. Goheen

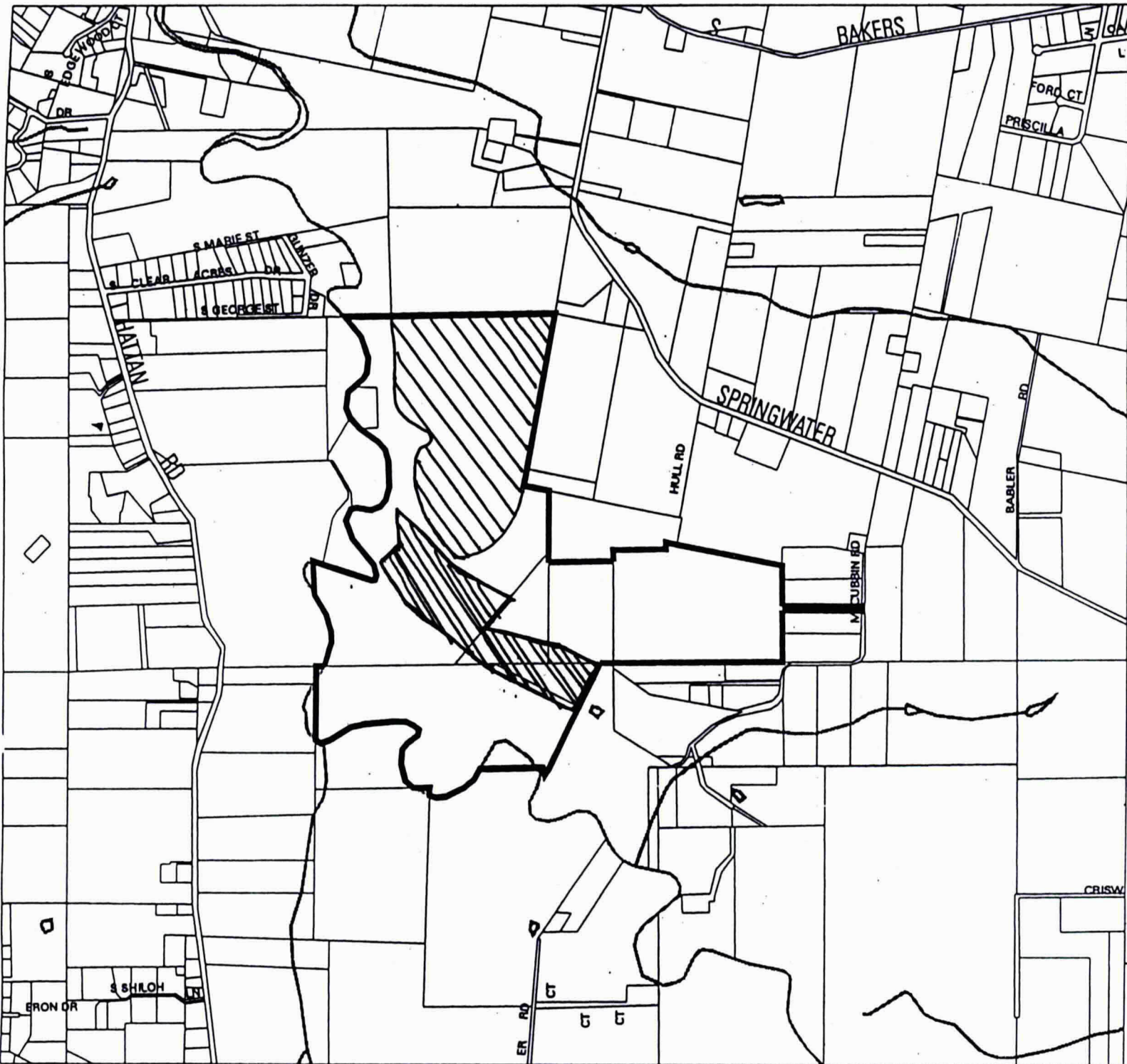
Lana R. Gabriel  
Notary Public for Oregon  
My commission expires:



State of Oregon, County of Multnomah  
The foregoing instrument was acknowledged before me this 25th day of January, 1996, by Anna B. Alford, Personal Representative for the Estate of Robert B. Alford.

Lana R. Gabriel  
Notary Public for Oregon  
My commission expires:





Clear Creek Ranch

- ▣ Ranch Boundary
- ~ Streams
- ~ Taxlots

EXHIBIT A  
 Sites 1 and 2  
 Clear Creek Property




**TICOR TITLE INSURANCE**

Report No. C637708

EXHIBIT "A"**LEGAL DESCRIPTION**

**PARCEL 1:** A tract of land and located in Section 29, 30, 31 & 32, Township 2 South, Range 3 East, Willamette Meridian, in the County of Clackamas and State of Oregon, described as follows:

Beginning at the one-quarter corner common to Section 29 and 32, Township 2 South, Range 3 East of the Willamette Meridian, Clackamas County, Oregon; thence South 89° 42' 25" West 1883.74 feet along the section line to a 5/8 iron rod located at the intersection of said section line with the division line of the William R. McCubbin DLC (so-called); thence South 00° 23' 12" East 31.08 feet along said division line to a 5/8 inch rod; thence North 69° 30' 00" West 170.28 feet to a 5/8 inch iron rod; thence South 26° 00' 00" West 271.61 feet to a fence; thence along said fence the following: South 35° 06' 35" West 262.21 feet, South 30° 31' 11" West 217.57 feet, South 26° 44' 09" West 341.03 feet, South 09° 13' 04" West 79.05 feet, South 05° 41' 24" West 115.86 feet; thence leaving said fence, South 26° 00' 00" West 243.89 feet, more or less, to the centerline of Clear Creek; thence along the centerline of said creek North 01° 34' 49" East 164.80 feet to the north line of the William Connell DLC #56; thence South 89° 45' 00" West 688.83 feet along said North line of DLC #56 to said creek centerline thence along the centerline of said creek the following: South 27° 23' 20" West 333.17 feet, South 68° 29' 08" West 222.79 feet, North 86° 47' 53" West 251.39 feet to the Easterly line of Government Lot 3, Section 31; thence North 160.82 feet to the Northeast corner of said Government Lot 3; thence West 250.53 feet along the Northerly line of said Government Lot 3 to the centerline of Clear Creek; thence along the centerline of said creek the following: North 25° 44' 43" West 99.97 feet, North 06° 26' 22" West 268.37 feet, North 23° 22' 23" East 167.55 feet, North 51° 26' 47" East 178.96 feet, North 64° 19' 17" West 149.57 feet, South 82° 38' 23" West 143.83 feet, North 72° 58' 51" West 132.84 feet, North 86° 11' 36" West 155.87 feet, South 72° 01' 58" West 193.46 feet, South 56° 49' 26" West 369.99 feet, North 65° 30' 08" West 116.56 feet, North 43° 26' 57" West 112.00 feet to the Westerly line of Government Lot 2, Section 31; thence North 698.59 feet to the one-quarter corner common to Sections 30 and 31; thence North 88° 07' 35" East 1626.73 feet along the South line of Section 30; thence North 38° 20' 29" East 1708.79 feet to the South 1/16 corner located on the Westerly line of Section 29; thence South 00° 12' 08" West 111.67 feet along said Westerly section line to a 5/8 inch iron rod; thence North 89° 23' 56" East 780.82 feet to a 5/8 inch iron rod located on the division line of the William R. McCubbin DLC (so-called); thence North 00° 23' 12" West 111.66 feet along said division line to a 5/8 inch iron rod located on the South 1/16 section line of said Section 29; thence North 89° 23' 56" East 552.00 feet along said South 1/16 section line to a 5/8 inch iron rod; thence North 00° 05' 45" West 57.92 feet to a 5/8 inch iron rod; thence South 78° 57' 07" East 1350.13 feet to a 5/8 inch iron rod located on the North-South centerline of Section 29; thence South 00° 48' 26" East 465.10 feet; thence North 89° 11' 21" East 918.27 feet to an iron pipe located on the Westerly right of way of McCubbin County Road #1363; thence South 00° 54' 45" East 64.97 feet along said Westerly right of way to a 5/8 inch iron rod; thence South 89° 10' 33" West 918.39 feet to the North-South centerline of Section 29; thence South 00° 48' 26" East 575.02 feet to the point of beginning.

TOGETHER WITH a right of way to and from said land as described in deed recorded in Book 75, page 415, records of Clackamas County, Oregon.

**PARCEL 2:** A tract of land located in Sections 29, 30, Township 2 South, Range 3 East, Willamette Meridian, in the County of Clackamas State of Oregon.

CONTINUED

Beginning at an aluminum disc monument located at the Easterly Southeast corner of the Mark Hatton DLC #53, said point also being located on the Westerly line of the Solomon Wheeler DLC #40; thence South 10° 23' 49" West 1943.61 feet along said Westerly line of DLC #40 to an aluminum disc monument located at the Southwest corner of said DLC #40; thence South 78° 52' 15" East 267.97 feet along the South line of said DLC #40 to a 5/8 inch iron rod located at the intersection of said South line of DLC #40 with the Westerly line of Section 29; thence South 00° 12' 08" West 659.26 feet to the South 1/16 corner located on said Westerly line of Section 29; thence South 38° 20' 29" West 1708.79 feet to the South boundary of Section 30; thence South 88° 07' 35" West 1554.52 feet, more or less, along said South boundary of Section 30 to the centerline of Clear Creek; thence along the centerline of said creek the following: North 29° 55' 17" East 460.71 feet, North 01° 08' 07" West 185.80 feet, North 35° 42' 34" West 126.01 feet, North 25° 07' 56" West 532.47 feet to the North-South centerline of Section 30; thence North 00° 04' 06" West 105.39 feet along said section centerline; thence continuing along said creek centerline the following: North 84° 09' 55" East 108.66 feet, South 66° 04' 32" East 604.80 feet, South 89° 03' 36" East 159.44 feet, North 07° 44' 49" East 112.16 feet, North 25° 57' 02" West 234.75 feet, North 58° 58' 46" West 220.05 feet, North 36° 39' 41" West 167.52 feet, North 06° 51' 32" West 162.59 feet, North 48° 11' 01" East 220.23 feet, South 84° 36' 04" East 294.10 feet, North 25° 43' 51" East 168.82 feet, North 01° 33' 27" West 155.36 feet, North 19° 49' 03" West 359.72 feet, North 54° 10' 20" West 608.98 feet, North 00° 30' 41" West 200.59 feet, North 46° 40' 05" East 157.30 feet, North 34° 08' 38" East 391.98 feet, North 03° 44' 52" West 161.36 feet, North 47° 14' 09" West 210.63 feet, North 72° 31' 14" West 254.69 feet, North 39° 21' 06" West 137.22 feet to the South line of the Mark Hatton DLC #53; thence North 89° 55' 36" East 891.23 feet along said DLC line; thence leaving said DLC line, South 89° 28' 49" East 482.05 feet; thence South 89° 34' 21" East 1186.05 feet; thence North 00° 04' 24" West 15.36 feet to said South line of DLC #53; thence along said DLC line North 89° 55' 36" East 45.79 feet to the point of beginning.

TOGETHER WITH a non-exclusive 64 foot wide easement for ingress, egress and utility purposes, lying 32 feet on each side of the following described center line:

Beginning at the intersection of the West line of the Solomon Wheeler Donation Land Claim No. 40 in Sections 20, 29 and 30, Township 2 South, Range 3 East of the Willamette Meridian, with the Southerly line of Market Road No. 28, said point being 700 feet, more or less, Southerly from the Northeast corner of the Mark Hatton Donation Land Claim; thence Southwesterly along the West line of the Wheeler Donation Land Claim to a point that is 150 feet Southwesterly of the Easterly Southeast corner of the Mark Hatton Donation Land Claim No. 53, in Sections 19, 20, 29 and 30, Township 2 South, Range 3 East of the Willamette Meridian.

EXCEPT that portion of said easement lying within the boundaries of a tract of land conveyed to Alfred E. Aus, et ux, by Warranty Deed recorded July 1, 1968, Fee No. 68 12334.

EXCEPTING from the above Parcel 2 a tract of land in Section 30, Township 2 South, Range 3 East of the Willamette Meridian, in the County of Clackamas and State of Oregon, described as follows:

Beginning at a 4 inch hand-split cedar post on the Easterly bank of Clear Creek, said post being 788.20 feet South and 331.12 feet East of the re-entrant corner of the Mark Hatton Donation Land Claim No. 53; thence East 216.00 feet to a hand-split 4 inch cedar post; thence South at a 90° angle

CONTINUED

from the first described line, a distance of 462.00 feet to another hand-split 4 inch cedar post; thence West at a 90° angle from the last described line, a distance of 146.42 feet to the Easterly bank of Clear Creek to a 4 inch hand-split cedar post; thence 45 feet, more or less, to the center line of Clear Creek to a point; thence Northerly following the meandering center line of Clear Creek, down-stream to a point, on said center line, which is approximately 45 feet due West of the point of beginning; thence East 45 feet, more or less, to the point of beginning.

RESERVING over and across the above described Parcel 2 an easement sufficient for ingress and egress for pedestrian and vehicular traffic to a tract of land described as follows:

A tract of land in Section 30, Township 2 South, Range 3 East of the Willamette Meridian, in the County of Clackamas and State of Oregon, described as follows:

Beginning at a 4 inch hand-split cedar post on the Easterly bank of Clear Creek, said post being 788.20 feet South and 331.12 feet East of the re-entrant corner of the Mark Hatton Donation Land Claim No. 53; thence East 216.00 feet to a hand-split 4 inch cedar post; thence South at a 90° angle from the first described line, a distance of 462.00 feet to another hand-split 4 inch cedar post; thence West at a 90° angle from the last described line, a distance of 146.42 feet to the Easterly bank of Clear Creek to a 4 inch hand-split cedar post; thence 45 feet, more or less, to the center line of Clear Creek to a point; thence Northerly following the meandering center line of Clear Creek, down-stream to a point, on said center line, which is approximately 45 feet due West of the point of beginning; thence East 45 feet, more or less, to the point of beginning.



**LEGAL DESCRIPTION**

Government Lot 1 of Section 6, Township 2 North, Range 1 West of Willamette Meridian and Government Lot 3 of Section 1, Township 2 North, Range 2 West of the Willamette Meridian, and all those portions of the following described property lying Easterly of the Easterly line of the Spokane, Portland & Seattle Railway Co. right of way as relocated in 1972, to wit:

Government Lot 2, the Northeast one-quarter of the Southeast one-quarter and the Southwest one-quarter of the Southeast one-quarter of Section 1 and the West one-half of the Northeast one-quarter and Government Lot 1 of Section 12, Township 2 North, Range 2 West of the Willamette Meridian, in the County of Multnomah and State of Oregon.

EXHIBIT A

Site 3

Multnomah Channel

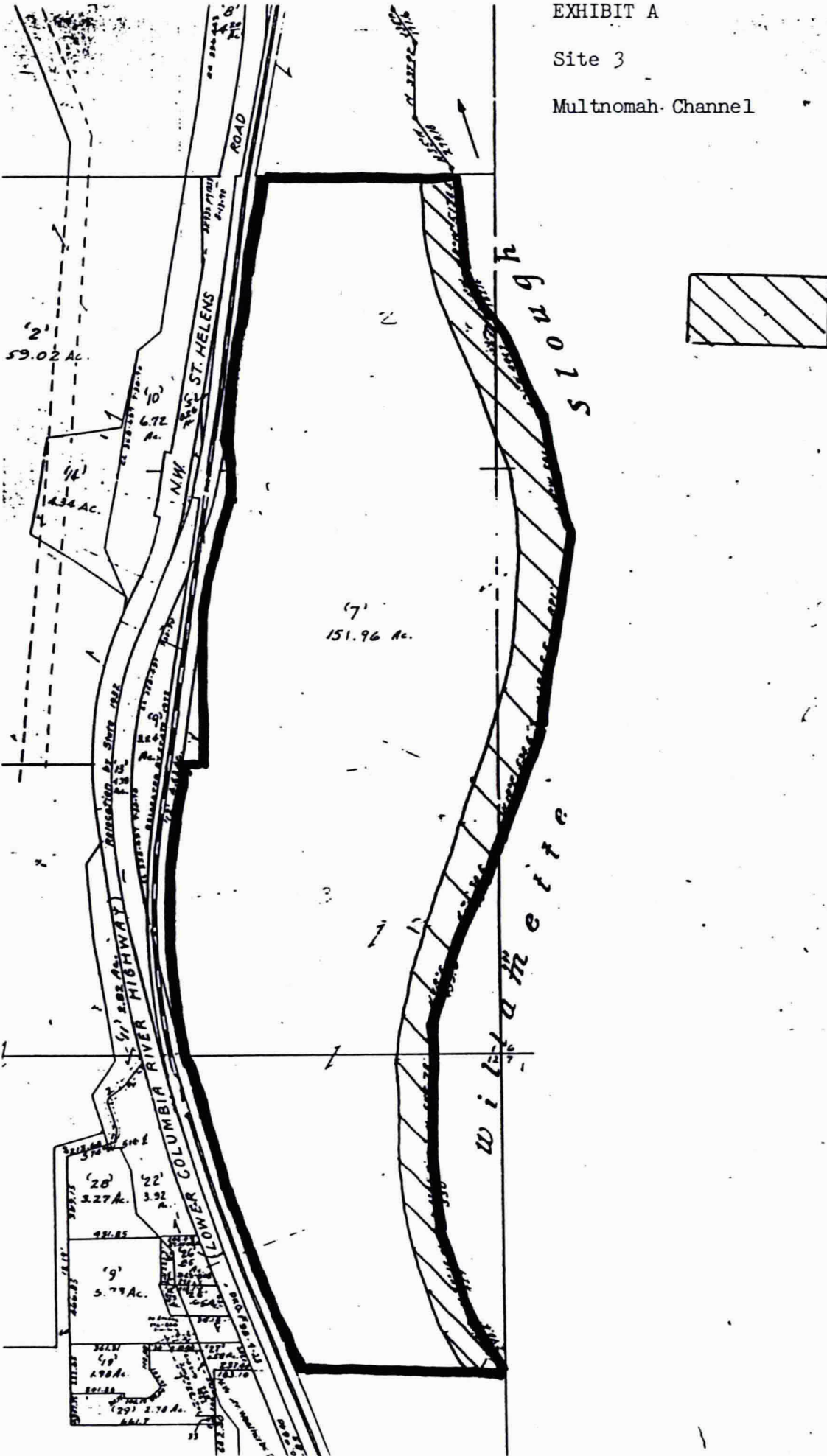


EXHIBIT B

**WESTERN OREGON CARBON OFFSET PROJECT  
TREE PLANTING AND MAINTENANCE AGREEMENT**

**Notice of Qualifying Property**

This notice serves to notify TAA that the Owner and property listed below qualify for reforestation cost-sharing funds as described in the Agreement executed between Trexler and Associates, Inc. and UtiliTree Carbon Company. Reforestation of the Qualifying Property described below is expected to sequester carbon and therefore further the overall objective of the carbon sequestration program.

"Qualifying Property" is real property that is: a) non-industrial private forest or agricultural land; b) not currently forested either by reason of physical disaster or due to previous use for a minimum of 10 years as agricultural or pasture land; c) not capable of near-term natural regeneration nor required to be reforested under state or federal regulations; d) suitable for planting; and (e) characterized as Site Class II and Site Class III lands as defined and rated by the Oregon Department of Forestry.

Owner

Property

The above Owner has executed the Tree Planting and Maintenance Agreement and has been fully apprised of the carbon sequestration program objectives and the guidelines contained in the Land Use and Management Plan.

---

TAA Forester

EXHIBIT C

**WESTERN OREGON CARBON OFFSET PROJECT  
TREE PLANTING AND MAINTENANCE AGREEMENT**

**General Land Use and Management Plan**

The primary objective of the TAA greenhouse gas sequestration program is that a stand of trees enrolled in the Program shall remain fully stocked and free to grow at all times. "Fully stocked" is defined as the specified basal area for each site, included as part of this Exhibit. TAA recognizes that natural impacts such as weather, pests, or other unforeseen events may require minor plan modifications. Modifications to the Land Use and Management Plan should be made in consultation with TAA or its designated foresters.

The planted trees will be managed using a sustainable approach to forestry and harvesting. The implementing phase of the Land Use and Management Plan will involve planting approximately 434 tree seedlings per acre. Depending on the location of the site, site class, soil type, soil depth, slope, aspect, and vegetation of the site, TAA's designated forester will make the species specification. Species will include but not be limited to Douglas fir, grand fir, western red cedar, ponderosa pine, western larch, and white pine. The anticipated survival rate, defined as the number of living trees two seasons after planting, is 90 percent, but the planting will be considered a success with an overall survival rate of 350 trees per acre.

Pre-commercial and commercial thinning are important elements of forest management to mitigate fire hazard as well as maximize tree growth and health. At a minimum, commercial thinnings should be carried out on approximately a 20-year schedule to achieve the specified basal area. Pre-commercial and commercial thinnings are permitted if the specified basal area is exceeded. Wood volumes above this threshold level can be removed at the Owner's discretion. All proceeds from a wood sale permitted by this plan are the property of the Owner.

The survival rate achieved is integrally tied to the frequency of thinning that is allowable during the first 40 years. If a lower survival rate occurs, the number of trees that can be removed in the early years of stand management is reduced. Stand thinning must be designed so as to achieve the projected specific 65-year total cubic feet per acre volume as indicated below. The number of trees, cubic feet of wood per acre, and dbh are, individually and in combination, measurements of total stand wood volume. TAA recognizes the wide range in variables that could affect these parameters. Considering a diverse possibility of expected rates of mortality, however, the basal area should fall within  $\pm 15$  percent of indicated stocking by age group.

The plan objective would be to carry management of planted trees through age 65.

EXHIBIT C

*Western Oregon Carbon Offset Project  
Landowner Agreement  
Trexler and Associates, Inc. /*

**Land: Site Class**

**Major Soils Group**

**CMAI cu. ft./ac./yr.**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Specified Basal Area by Age Group**

**Projected total cu.ft./ac. at age 65**

0 - 20 \_\_\_\_\_

\_\_\_\_\_

20 - 40 \_\_\_\_\_

40 - 60 \_\_\_\_\_

60+ \_\_\_\_\_

EXHIBIT C

FORESTRY PRESCRIPTION

Landowner: Metro

Date: Feb.5,1998

Legal Desc: T2S,R3E,Sec30 (Upper Meadow Clear Creek)

**I. Site Preparation**

**Completion Date Feb 16,1998**

Spray field to kill grass with tractor and boom sprayer. Follow spraying with subsoiler to break ground in order to increase new seedling root growth.

Site Preparations Methodologies:

1. Spray with 2.0 quarts of Accord and 1.0 quart of surfactant per acre
2. Rip with 26 inch winged subsoiler- Fracture top 21 inches of soil

**II. Seedlings**

Species: Douglas Fir, Grand Fir, Western Red Cedar, Big-leaf Maple, Red Alder  
Stock type 1-1 transplants Breeding zone: D-fir :6  
Elevation: 500-1,000 Seedlings: D-fir 21,750  
Nursery Order: Phipps/ Oregon State Nursery, Elkton Oregon

**III. Planting Practices**

**Completion Date: Feb/March 1998**

Tool: hoedad or shovel Scalp dia.: Site prepped  
Trees/ acre: 430 per acre  
Spacing: 10 x 10 Microsite:  
Planting date: February/March 1998  
Weather guidelines: High soil moisture content, air temperatures from 34-60

Concurrent Treatments:

Tubing: None

Animal control: Monitor for deer depradation, using BGR repellent if necessary

Shading: None

Other

Comments: Replant as required with information from stocking survey analysis

EXHIBIT C

**IV. Maintenance Operations:**

Stocking survey: Plot count survey

Survey Schedule: 10/1998: 10/1999; 10/2000-2002

**V. Moisture Conservation/Animal Control:**

Anticipated vegetation control treatments and date: Grass control treatments with 4-5' diameter hand spray in April or May (before budbreak) of 1999 and 2000 or as required from information from stocking survey analysis.

Anticipated animal control treatment and date: Keeping the grass 3 feet away from the seedlings will help reduce the mice cover and help to keep the mice from girdling the trees. . Big game repellent if needed will prevent further deer browsing.

Other maintenance operations:

**NOTES:**

1. Free to grow is the condition whereby the seedlings planted under this agreement no longer require silvicultural intervention in order to survive and grow. In this instance, "free to grow" would be the condition whereby the terminal leaders on 350 seedlings per acre have grown above the deer browse range, approximately 3-3.5 feet above ground level.
2. The above forestry prescription constitutes the reforestation activities required to qualify as "acceptable silvicultural practices" as stated in the Western Oregon Carbon offset treeplanting and maintenance agreement.

Rick Herson

**CARBON OFFSET STEWARDSHIP FOREST PRESCRIPTION (Cost share responsibilities)**

**METRO-Clear Creek Upper Meadow  
(52 acre site class 3)**

**Cost-\$**

**Provided by:  
Ore. Woods**

**Provided by:  
Landowner**

<b>Year #1: 1998</b>				
Site prep:(grass eradication)	53 acres	1000	1000	
Site prep: (subsoil rip)	53 acres	6200	6200	
Seedlings:	21750	7643	7643	
Seedling handling and storage	21750	1088		1088
Tree planting	21750	6500	6500	
Survival survey and administration	53 acres	1155	1155	
	<b>Total-yr#1</b>	<b>23586</b>	<b>23586</b>	

<b>Year#2</b>				
Vegetation control(Oust and Velpar-spot spray)	\$50/acre	2650		2650
Survival survey and administration	53 acres	152		152
	<b>Total-yr#2</b>	<b>2802</b>	<b>2802</b>	

<b>Years 3,4&amp;5</b>				
Vegetation control(Oust and Velpar-spot spray)	\$50/acre	2650		2650
Survival survey 3,4 &5	53 acres	152		152
	<b>total3,4&amp;5</b>	<b>2802</b>	<b>2802</b>	
	<b>total 1-5</b>		<b>29190</b>	

**Share totals= 22498 6692**

**total \$/acre=\$551**

**Cost share totals= owner's share=\$6,692  
carbon share=\$22,498**

**\*\*TREE SEED ZONE #281**

Mailing address:600 NE Grand Ave., Portland OR 97232-2736

Site address: Clear Creek Upper Meadow

tel:(503) - 797-1850

EXHIBIT C



EXHIBIT C

<b>Landowner:</b>			
Metro-(Site)Clear Creek Upper Meadow 600 NE Grand Ave., Portland OR 97232-2736 tel:(503) - 797-1850			
<b>Forestry Provider:</b>			
Oregon Woods Inc. P.O. Box 11680, Eugene OR 97440 tel:(541)334-6634			
<b>Year #1: 1998</b>	<b>Quantity:</b>	<b>Provided by:</b>	
Site prep:(grass eradication)	53 acres	Oregon Woods	
Site prep: (subsoil rip)	53 acres	Oregon Woods	
Seedling handling and storage	21750	landowner	
Seedlings: purchase	21750	Oregon Woods	
Tree planting	21750	Oregon Woods	
Survival survey, analysis & protection supervision	53 acres	Oregon Woods	
<b>Year #2</b>	<b>Quantity:</b>	<b>Provided by:</b>	
Vegetation control(Oust and Velpar-spot spray)	53 acres	landowner	
Survival survey	53 acres	landowner	
<b>Years 3,4&amp;5</b>	<b>Quantity:</b>	<b>Provided by:</b>	
Vegetation control(Oust and Velpar-spot spray)	53 acres	landowner	
Survival survey	53 acres	landowner	
<p>I have reviewed the forestry prescriptions for the Utilitree cost sharing program and agree to provide the material and services designated to the landowner, in a timely fashion as requested by Oregon Woods Inc. If vegetative management is not concluded by the 15th of April each year I agree to have Oregon Woods perform these services and pay Oregon Woods for these services at the above quoted rates.</p>			
(landowner)	(date)	(forestry provider)	(date)

EXHIBIT C

**FORESTRY PRESCRIPTION**

**Landowner: Metro**

**Date: Feb 5,1998**

**Legal Desc: T2S, R3E, Sect 31 (Lower Meadow Clear Creek)**

**I. Site Preparation** **Completion Date Feb. 20,1998**  
Hand scalp existing trees planted in 1997. Scalp approximately 12 inches radius around each living tree. Additionally prepare approximately 6,000 interplant sites for new planting for 1998.

**II. Seedlings**

Species:  
Stock type Breeding zone:  
Elevation: 500-1,000 Seedlings:  
Nursery Order:

**III. Planting Practices** **Completion Date: Feb/March 1998**

Tool: hoedad or shovel Scalp dia.: 24"  
Trees/ acre: 430 per acre  
Spacing: 10 x 10 Microsite: Oregon Ash planted in wet soils  
Planting date: February/March 1998  
Weather guidelines: High soil moisture content, air temperatures from 34-60

Concurrent Treatments:

Tubing: None  
Animal control: Monitor for deer and mice depradation, use deer repellent if necessary  
Shading: None  
Other

Comments: Replant as required with information from stocking survey analysis

**IV. Maintenance Operations:**

Stocking survey: Plot count survey

Survey Schedule: 10/1998: 10/1999; 10/2000-2002

EXHIBIT C

**V. Moisture Conservation/Animal Control:**

**Anticipated vegetation control treatments and date:** Grass control treatments with 4-5' diameter hand spray with Oust in April or May (before budbreak) of 1999 and 2000 or as required from information from stocking survey analysis.

**Anticipated animal control treatment and date:** Keeping the grass 3 feet away from the seedlings will help reduce the mice cover and help to keep the mice from girdling the trees. Big game repellent if needed will prevent further deer browsing.

**Other maintenance operations:**

**NOTES:**

1. Free to grow is the condition whereby the seedlings planted under this agreement no longer require silvicultural intervention in order to survive and grow. In this instance, "free to grow" would be the condition whereby the terminal leaders on 350 seedlings per acre have grown above the deer browse range, approximately 3-3.5 feet above ground level.
2. The above forestry prescription constitutes the reforestation activities required to qualify as "acceptable silvicultural practices" as stated in the Western Oregon Carbon offset treeplanting and maintenance agreement.

Rick Herson

EXHIBIT C

PROVIDED BY/PERFORMED BY:			
<b>Landowner:</b>			
Metro-(Site) Clear Creek Lower Meadow 600 NE Grand Ave., Portland OR 97232-2736 tel:(503) - 797-1850			
<b>Forestry Provider:</b>			
Oregon Woods Inc. P.O. Box 11680, Eugene OR 97440 tel:(541)334-6634			
<b>Year #1: 1997</b>		<b>Quantity:</b>	<b>Provided by:</b>
Site prep:(Blackberry and Scotch Broom)		45 acres	
Seedlings:purchase		19575	landowner
Seedling handling and storage		19575	landowner
Tree planting		19575	landowner
Animal protection(vexar tube for deer)		7000	landowner
Survival survey and administration		45 acres	landowner landowner
<b>Year#2 1998</b>		<b>Quantity:</b>	<b>Provided by:</b>
Seedlings:purchase		6000	
Seedling handling and storage		6000	Oregon Woods
Tree planting		6000	landowner
Hand scalp existing trees		45 acres	Oregon Woods
Vegetation control(Oust and Velpar-spot spray)		45 acres	Oregon Woods
Survival survey and administration		45 acres	Oregon Woods Oregon Woods
<b>Years 3,4&amp;5</b>		<b>Quantity:</b>	<b>Provided by:</b>
Vegetation control(Oust and Velpar-spot spray)		45 acres	
Survival survey		45 acres	landowner landowner
<p>I have reviewed the forestry prescriptions for the Utilitree cost sharing program and agree to provide the material and services designated to the landowner, in a timely fashion as requested by Oregon Woods Inc. If vegetative management is not concluded by the 15th of April each year I agree to have Oregon Woods perform these services and pay Oregon Woods for these services at the above quoted rates.</p>			
(landowner)	(date)	(forestry provider)	(date)

<b>CARBON OFFSET STEWARDSHIP FOREST PRESCRIPTION (Cost share responsibilities)</b>				
<b>METRO-Clear Creek Lower Meadow</b>				
<b>(45 acre site class 3)</b>		<b>Cost-\$</b>	<b>Provided by:</b>	<b>Provided by:</b>
			<b>Ore. Woods</b>	<b>Landowner</b>
<b>Year #1: 1997</b>				
Site prep:(Blackberry and Scotch Broom)	45 acres	880		880
Seedlings:purchase	19575	6346		6346
Seedling handling and storage	19575	979		979
Tree planting	19575	5747		5747
Animal protection(vexar tube for deer)	7000@0.58	4130		4130
Survival survey and administration	45 acres	904		904
	<b>Total-yr#1</b>	<b>18986</b>	<b>18986</b>	
<b>Year#2 1998</b>				
Seedlings:purchase	6000	1442	1442	
Seedling handling and storage	6000	300		300
Tree planting	6000	2025	2025	
Hand scalp existing trees	45 acres	6750	6750	
Vegetation control(Oust and Velpar-spot spray)	45 acres	2250	2250	
Survival survey and administration	45 acres	623	623	
	<b>Total-yr#2</b>	<b>13390</b>	<b>13390</b>	
<b>Years 3,4&amp;5</b>				
Vegetation control(Oust and Velpar-spot spray)	45 acres	2250		2250
Survival survey 3,4 &5	45 acres	128		128
	<b>total3,4&amp;5</b>	<b>2378</b>	<b>2378</b>	
	<b>total 1-5</b>		<b>34754</b>	
	<b>Share totals=</b>		<b>13090</b>	<b>21664</b>
	<b>total \$/acre=\$772</b>			
<b>**TREE SEED ZONE #261</b>	<b>Cost share totals=</b>	<b>owner's share=\$21,664</b>		
Mailing address:600 NE Grand Ave., Portland OR 97232-2738		<b>carbon share=\$13,090</b>		
Site address: Clear Creek Lower Meadow				
tel:(503) - 797-1850				

EXHIBIT C

EXHIBIT C

FORESTRY PRESCRIPTION

Landowner: Metro

Date: Feb 5, 1998

Legal Desc: T2N,R2W, Sec 1 (Multomah Channel)

I. Site Preparation Completion Date Feb 20, 1998  
Spray field to kill grass with herbicide application with tractor and boom sprayer. .

Site Preparations Methodologies:

1. Spray with 2.0 quarts of Accord and 1.0 quart of surfactant per acre

II. Seedlings

Species: Ash, Cottonwood, Maple, Willow, Douglas Fir, Western Red Cedar  
Stock type Breeding zone: D-fir :6  
Elevation: 500-1,000 Seedlings:  
Nursery Order:

III. Planting Practices Completion Date: Feb/March 1998

Tool: hoedad or shovel Scalp dia.: 12"  
Trees/ acre: 890 per acre  
Spacing: 7X7 Microsite:  
Planting date: February/March 1998  
Weather guidelines: High soil moisture content, air temperatures from 34-60

Concurrent Treatments:

Tubing: 3,000

Animal control: 3,000 vexar tubes

Shading: None

Other

Comments: Replant as required with information from stocking survey analysis

EXHIBIT C

**IV. Maintenance Operations:**

Stocking survey: Plot count survey

Survey Schedule: 10/1998: 10/1999; 10/2000-2002

**V. Moisture Conservation/Animal Control:**

Anticipated vegetation control treatments and date: Grass control treatments with 4-5' diameter hand spray in April or May (before budbreak) of 1999 and 2000 or as required from information from stocking survey analysis.

Anticipated animal control treatment and date: Keeping the grass 3 feet away from the seedlings will help reduce the mice cover and help to keep the mice from girdling the trees. Tubing the highly impacted areas will also prevent the mice from girdling the trees.

Other maintenance operations:

**NOTES:**

1. Free to grow is the condition whereby the seedlings planted under this agreement no longer require silvacultural intervention in order to survive and grow. In this instance, "free to grow" would be the condition whereby the terminal leaders on 350 seedlings per acre have grown above the deer browse range, approximately 3-3.5 feet above ground level.
2. The above forestry prescription constitutes the reforestation activities required to qualify as "acceptable silvacultural practices" as stated in the Western Oregon Carbon offset treeplanting and maintenance agreement.

Rick Herson

**CARBON OFFSET STEWARDSHIP FOREST PRESCRIPTION (Cost share responsibilities)**

**METRO-Multnomah Channel  
(24 acre site class 3)**

**Cost-\$**

**Provided by:  
Ore. Woods**

**Provided by:  
Landowner**

Year #1: 1998

Site prep: (grass)	24 acres	800		800
Seedlings: purchase	21360	9027	9027	
Seedling handling and storage	21360	1068		1068
Tree planting	21360	4800		4800
Animal protection (vexar tube for deer)	3000@0.58	1770	1770	
Survival survey and administration	24 acres	331		331
	<b>Total-yr#1</b>	<b>17796</b>	<b>17796</b>	

Year#2

Vegetation control (Oust and Velpar-spot spray)	\$50/acre	1200		1200
Survival survey and administration	24 acres	331		331
	<b>Total-yr#2</b>	<b>1531</b>	<b>1531</b>	

Years 3,4&5

Vegetation control (Oust and Velpar-spot spray)	\$50/acre	1200		1200
Survival survey 3,4 &5	24 acres	331		331
	<b>total 3,4&amp;5</b>	<b>1531</b>	<b>1531</b>	
	<b>total 1-5</b>		<b>20858</b>	

**Share totals= 10797**

**10061**

**total \$/acre=\$869**

**\*\*TREE SEED ZONE #261**

Mailing address: 600 NE Grand Ave., Portland OR 97232-2736

Site address: Multnomah Channel

tel: (503) - 797-1850

**Cost share totals= owner's share=\$11831  
carbon share=\$10797**

EXHIBIT C



EXHIBIT C

PROVIDED BY/PERFORMED BY:

Landowner:

Metro-(Site) Multnomah Channel  
 600 NE Grand Ave., Portland OR 97232-2736  
 tel:(503) - 797-1850

Forestry Provider:

Oregon Woods Inc.  
 P.O. Box 11680, Eugene OR 97440  
 tel:(541)334-6634

Year #1: 1998

Quantity: Provided by:

Site prep:(grass)	24 acres	landowner
Seedlings:purchase	21360	Oregon Woods
Seedling handling and storage	21360	landowner
Tree planting	21360	landowner
Animal protection(vexar tube for deer)	3000	Oregon Woods
Survival survey and administration	24 acres	landowner

Year#2

Quantity: Provided by:

Vegetation control(Oust and Velpar-spot spray)	24 acres	landowner
Survival survey and administration	24 acres	landowner

Years 3,4&5

Vegetation control(Oust and Velpar-spot spray)	24 acres	landowner
Survival survey 3,4 &5	24 acres	landowner

I have reviewed the forestry prescriptions for the Utilitree cost sharing program and agree to provide the material and services designated to the landowner, in a timely fashion as requested by Oregon Woods Inc. If vegetative management is not concluded by the 15th of April each year I agree to have Oregon Woods perform these services and pay Oregon Woods for these services at the above quoted rates.

(landowner)

(date)

(forestry provider)

(date)

EXHIBIT C

COST SHARE SUMMARY		
METRO THREE SITES		
	COST SHARE	
	METRO	UTILITREE
CLEAR CREEK UPPER MEADOW-53 acres	\$6,692	\$22,488
CLEAR CREEK LOWER MEADOW-45 acres	\$21,664	\$13,090
MULTNOMAH CHANNEL-24 acres	\$11,831	\$10,797
TOTALS	\$40,187	\$46,375
Price per acre based on 122 acres	\$329/acre	\$380/acre
Cost share percentages:	46%	54%

**REGIONAL FACILITIES COMMITTEE REPORT**

**CONSIDERATION OF RESOLUTION NO. 98-2613, FOR THE PURPOSE OF AUTHORIZING THE EXECUTIVE OFFICER TO CONTRACT WITH TREXLER AND ASSOCIATES FOR REFORESTATION ASSISTANCE ON METRO PROPERTIES.**

---

**Date:** February 25, 1998

**Presented by:** Councilor McFarland

**Committee Action:** At its February 17, 1998 meeting, the Regional Facilities Committee unanimously recommended Council adoption of Resolution 98-2613. Voting in favor: Councilors McCaig, Naito and McFarland.

**Council Issues/Discussion:** Charles Ciecko and Jim Morgan made the staff presentation on behalf of the Regional Parks and Greenspaces Department. This proposal allows Metro to be able to plant trees in areas it could not otherwise afford to do, as part of a stabilization and landbanking strategy. In this case, Metro is entering into agreement with a consortium, associated with utilities, which hopes to be able to benefit from "carbon credits", should future federal legislation pass.

The contract with Trexler and Associates will authorize planting and maintenance of trees on 122 acres, in the Clear Creek and Multnomah Channel areas. Trexler will contribute \$46,000 to the effort. Metro agrees to maintain the trees for 65 years, while Trexler will benefit from the carbon credits, if they become authorized.

Chair McFarland said that after speaking with legal counsel, she was comfortable with the stipulation that Metro not cut the trees for the 65 year period.

## Staff Report

### CONSIDERATION OF RESOLUTION NO. 98-2613 FOR THE PURPOSE OF AUTHORIZING THE EXECUTIVE OFFICER TO CONTRACT WITH TREXLER AND ASSOCIATES FOR REFORESTATION ASSISTANCE ON METRO PROPERTIES.

---

Date: February 6, 1998

Presented by:

Charles Ciecko  
Jim Desmond

#### PROPOSED ACTION

Resolution No. 98-2613 requests authorization for the Executive Officer to contract with Trexler and Associates to assist in reforestation of specific Metro properties.

#### BACKGROUND AND ANALYSIS

As open space land is acquired by Metro using funds from the Open Spaces Bond Measure 26-26, particular land parcels need reforestation. As part of the interim management responsibilities referred to as "stabilization", Metro plants trees at appropriate sites because (1) it is required by the Oregon Forest Practices Act or (2) it is the most cost-effective means to prevent further degradation of the property. Stabilization funds for planting and maintaining these trees come from the open spaces bond revenue.

PacifiCorp recently proposed to provide Metro with reforestation assistance under its carbon sequestration program. Through its subsidiary, UtiliTree Carbon Company, and its reforestation contractor, Trexler and Associates, Inc., up to 75% of the costs to reforest portions of Metro's open space lands has been offered. In exchange, the utilities will receive credit to any future "greenhouse gas mitigation benefits" or "carbon sequestration credits" associated with the stands of trees planted, and Metro contractually agrees not to destroy or harvest the trees for a 65-year period.

Approximately 122 acres of open spaces land that need to be reforested in 1998 are eligible for funding under the reforestation cost-sharing program with Trexler and Associates. Their proposed contribution is approximately \$46,000, which will pay for more than half the cost of reforestation on these areas. With their contribution occurring entirely in the first year of the 5-year reforestation program for each site, Metro assumes maintenance responsibilities thereafter.

#### FINDINGS

Entering into a contractual agreement with Trexler and Associates, Inc. will have the following effects:

1. Offsets costs of necessary reforestation.  
With cost-sharing ranging from 50-75% contribution from Trexler and Associates, less revenue is needed from bond proceeds to complete the necessary reforestation projects on Metro property.
2. Increases reforestation opportunities.  
Additional reforestation projects can be justified when the project is only 1/4 of the cost that results from the expected cost-sharing.
3. UtiliTree contribution is assured.  
UtiliTree contributes all their cost-share in the first year, with Metro assuming the cost of maintenance. If the carbon sequestration credits never become a viable program or if UtiliTree withdraws from the program, Metro will have not incurred any losses.
4. Restricts removal of trees.  
Areas to be planted under the contractual agreement will be selected where anticipated future use does not conflict with reforestation efforts. For example, riparian areas or inaccessible slopes have less potential for future park development that would require tree removal. The penalty for replacing tree removed is to re-plant at a 2-to-1 ratio based on land area, and an agreement not to harvest the substitute plantings for a sixty-five year period, which is manageable on anticipated sites.
5. The Agreement may result in the sale or conveyance of an interest in Metro's real property.  
If future federal regulation require that the credits be supported by a real property interest in the land underlying the tree plantings (likely a silvicultural easement), or find that carbon sequestration agreements constitute a transfer of real property, UtiliTree could argue that Metro is obligated to formally grant such an interest in Metro's real property to UtiliTree.
6. Commits Metro for a 65 year period.  
The Agreement commits Metro to nurture the trees, suppress fires, thin trees, and control damage by wildlife, insects and disease, and otherwise undertake efforts consistent with good silvicultural practices to protect the trees planted pursuant to the Agreement for a period of sixty-five years. The Agreement does allow Metro to conduct pre-commercial thinnings between 12 and 15 years and commercial thinnings at 20-year intervals, which can be a revenue source.
7. Tree maintenance cost is estimated on limited available data.  
Converting agricultural lands to forest lands is historically not a standard practice, so maintenance costs estimates are based on best professional judgment. Research continues on problems and techniques for converting agricultural lands.

No other offers for reforestation assistance for "carbon sequestration credit" were obtained for the following reasons:

1. Competitive bidding for these credits is not practical at this time. Carbon sequestration credits are now in the conceptual stage of their development, and are not currently a

marketable commodity. The future value, if any, of the credits is yet to be determined. The utilities assume the risk that no market for carbon sequestration credits will develop.

2. There is a limited number of utilities venturing into this speculative market. UtiliTree Carbon Company serves a consortium of utilities nationwide, including PacifiCorps. The other major utility serving the Metro region, PGE, was contacted regarding potential partnership with Metro in reforestation efforts. No interest was expressed.

### **BUDGET IMPACT**

The contractual agreement with UtiliTree outlines a substantial contribution, estimated approximately \$46,000 in the first year, to Metro's reforestation efforts. This reduces by approximately the same amount the revenue demand on the open spaces bond proceeds.

### **EXECUTIVE OFFICER'S RECOMMENDATION**

The Executive Officer recommends passage of Resolution No. 98-2613.