

AGENDA ITEM FOR ADMINISTRATIVE MEETING

() Discussion only

(X) Action

FROM (DEPT/ DIVISION): County CounselSUBJECT: CDA Property

Background:	Requested Action:
<p>The parties to the litigation over the Columbia Development Authority have settled the matter. As part of the settlement, some of the parties will receive specific portions of the property. A real estate contract will be entered into to convey the property. In addition, the parties will resume their financial support of the CDA. The settlement is before the Board for implementation.</p>	<p>Approve implementation of the settlement agreement for the pending litigation over the Columbia Development Authority, including resumption of payments and authorization to complete and sign a contract and deed acceptance for the portion designated for the county as well as any other documents necessary to complete the settlement</p>

ATTACHMENTS: Agreement

*****For Internal Use Only*****

Checkoffs:

() Dept. Heard (copy)
() Human Resources (copy)
() Fiscal
(X) Legal (copy)
() (Other - List:)

To be notified of Meeting:

Needed at Meeting:

Scheduled for meeting on: February 4, 2026

Action taken:

Follow-up:

MUTUAL RELEASE AND SETTLEMENT AGREEMENT

This Mutual Release and Settlement Agreement (hereinafter, "Agreement") is entered into and effective as of the date of the last signature below in January, 2026 ("Effective Date"), by and between County of Umatilla ("Umatilla County"), Confederated Tribes of the Umatilla Indian Reservation ("CTUIR"), Columbia Development Authority ("CDA"), County of Morrow ("Morrow County"), Port of Morrow, and Port of Umatilla (collectively referred to as the "Parties" or individually as "Party").

BACKGROUND

A. CDA is an intergovernmental entity organized and existing as provided by the terms of an Intergovernmental Agreement dated May 15, 1995, and amended and restated in 2014 ("Intergovernmental Agreement"). The members of CDA include Umatilla County, Morrow County, Port of Umatilla, Port of Morrow, and CTUIR. CDA is governed by a joint board comprised of its five members, each of whom are appointed representatives.

B. The purpose of CDA is to, among other things, administer the transition of the Umatilla Army Depot (the "Property") from military to civilian use in accordance with a reuse plan developed and implemented by CDA.

C. On March 26, 2024, CDA's Board (as defined in Section 5 of the Intergovernmental Agreement) voted on a motion by Port of Morrow providing for the transfer of certain portions of the Property from CDA to Port of Morrow and Port of Umatilla (the "Resolution"). The Port of Morrow, Morrow County, and the Port of Umatilla voted in favor of the Resolution, and CTUIR and Umatilla County voted against it.

D. On July 2, 2024, Umatilla County filed a lawsuit against CDA, Morrow County, Port of Morrow, and Port of Umatilla challenging the Resolution, alleging claims for breach of contract and seeking a declaratory judgment, in the matter of *County of Umatilla v. Columbia Development Authority, County of Morrow, Port of Morrow, Port of Umatilla*, Case No. 24CV31777, which is currently pending in Umatilla County Circuit Court (the "Lawsuit").

E. For the sole purpose of avoiding the uncertainties, inconveniences, and expenses of litigation, the Parties agree to fully resolve, compromise, and settle any and all claims of any nature arising from the Resolution in accordance with the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, agree to the following:

1. **Mutual Release**. Except as set forth in this Agreement, in and as consideration for this Agreement, the Parties, together with their past, present and future directors, board members, commissioners, employees, agents, representatives, successors, and assigns, completely release and forever discharge each other from any and all actions, causes of action, claims, charges, judgments, obligations, demands, grievances, damages, costs, attorneys' fees, expenses or liabilities of any kind or nature whatsoever, in law or in equity, known or unknown, arising from or relating to the Resolution or the Lawsuit.

2. **Motion to Amend**. At the first meeting of CDA following the Effective Date of this Agreement, Umatilla County will make a motion to amend the Resolution in accordance with this Agreement ("Amended Motion"). Port of Umatilla will second the Amended Motion. The form of the Amended Motion is attached as Exhibit 1 and is incorporated by reference into the Agreement.

4. **Lot Line Adjustments**. Following the approval of CDA's pending lot line adjustments, the Parties shall jointly submit to Umatilla County applications for the following property line adjustments amending the boundaries of Tax Lots 4N27-220, 4N27-225, and 4N27-223. Specifically, the north/south boundary between Tax Lots 4N27-220 and Tax Lot 4N27-225 shall be pushed north to be colinear with the southern boundary of the Umatilla County Recharge zone. The resulting west/east boundary between Tax Lot 4N27-225 and Tax Lot 4N27-223 shall then be pushed west all the way through Tax Lot 4N27-223 such that Tax Lot 4N27-225's resulting western and northern boundaries subsume TL 4N27-223's current western and northern boundaries. The resulting north/south boundary between the reconfigured TL 4N27-225 and TL 4N27-223 will then be colinear with southern boundary of the Umatilla County Recharge zone such that TL 4N27-225 may be transferred as one unit of land to Umatilla County.

5. **Written Statement**. Prior to the meeting of CDA wherein the Parties will present the Amended Motion, Port of Umatilla and Umatilla County agree to execute a mutually satisfactory written statement concerning the contents and the purposes of the Amended Motion (the "Written Statement"). A copy of the form of the Written Statement is attached as Exhibit 2. The Written Statement will be presented at the meeting of CDA wherein the Parties present the Amended Motion.

6. **No Future Modification**. Notwithstanding the terms of the 2014 Amended and Restated Intergovernmental Agreement, if approved, the Parties agree that the Property distribution set forth in the Amended Motion will not be amended or modified in the future without unanimous consent of the members of the Board of CDA.

7. **Sovereign Immunity**. CTUIR agrees to a limited waiver of its immunity from suit under the following terms and conditions: 1) the claim is brought by Umatilla County, Port of Umatilla, Morrow County, Port of Morrow, or CDA; 2) the claim or claims relate to an obligation under this Agreement, the Real Estate Contract of Sale between CDA and CTUIR dated May 22, 2024 (Real Estate Contract of Sale), or any ancillary agreement entered into by CTUIR and Umatilla County, Port of Umatilla, Morrow County, Port of Morrow, or CDA in connection with this Agreement (Ancillary Agreement), and 3) the sole remedy sought is the

enforcement of the obligation(s) of CTUIR under this Agreement, the Real Estate Contract of Sale or any other Ancillary Agreement.

8. **Easements, Access Ways, or Rights of Way.** Both Port of Umatilla and Umatilla County mutually and reciprocally agree to consent to the use by the other (or their successors in interest) of any easements, access ways, or rights-of-way (whether for roads, water, or otherwise) established to serve any portion of the Property distributed to either Party unless the Parties are not authorized to provide such consent.

9. **Dismissal.** Within seven days of CDA's approval of the Amended Motion, Umatilla County will file a stipulated general judgment of dismissal, dismissing the Lawsuit with prejudice and without an award of fees or costs to any Parties. A form of the stipulated general judgment of dismissal is attached as Exhibit 3.

10. **Lis Pendens.** Within thirty (30) days of CDA's approval of the Amended Motion, Umatilla County will submit for recording a release of all lis pendens previously recorded on any portion of the Property.

11. **Economic Incentive Cooperation Zone.** Umatilla County and Port of Umatilla agree to work together to, in good faith, negotiate a joint planning and economic development agreement to encourage economic development to cover all Property distributed to them, which may include an enterprise zone, strategic incentive planning, or other economic incentive program.

12. **CDA Expenditures – Port of Umatilla.** Port of Umatilla waives any right to and agrees not to pursue or accept any reimbursement from Umatilla County for any portion of any of CDA's expenses invoiced through May 16, 2025. Umatilla County will not pay for or reimburse Port of Umatilla in any way for any of CDA's expenditures associated with the Lawsuit.

13. **CDA's Fees and Costs Associated with the Lawsuit.** Umatilla County, Port of Umatilla, Morrow County, Port of Morrow, and CTUIR agree to split equally all of CDA's paid and unpaid fees and costs associated with this Lawsuit in an amount not to exceed \$180,000 minus any insurance proceeds received by CDA in connection with the Lawsuit.

14. **Real Estate Contracts of Sale.** CDA has previously entered into written real estate contracts of sale with Port of Umatilla and Port of Morrow, dated June 27, 2024, and July 1, 2024, respectively ("RECS"). CDA, Port of Umatilla, and Port of Morrow will amend the RECS as necessary to comply with the distribution of the Property as authorized by the Amended Motion. CDA will also enter into written real estate contracts of sale to convey that portion of the Property that is to be distributed to Umatilla County and CTUIR that is authorized by the Amended Motion. The terms and conditions of the amended RECS and the real estate contracts of sale that CDA enters into with Umatilla County and CTUIR will be generally consistent and equitable among the Parties. CDA will not propose contract terms on any one Party that disproportionately allocate risk or cost to that Party in a manner that is materially

different from any other Parties. The allocation of the transaction, closing, and other costs related to the distribution of Property from CDA to Umatilla County or CTUIR, as authorized by the Amended Motion, will be generally consistent with the allocation of similar costs in the RECS.

15. **Recitals**. The Parties expressly incorporate the recitals into this Agreement, and agree that they are accurate.

16. **Advice of Counsel**. The Parties hereby acknowledge the following: (1) that they were provided a reasonable period of time to review and consider this Agreement; (2) that they have sought and received the advice of their attorney and tax professional prior to signing this Agreement; (3) that they understand that they are waiving legal rights by signing this Agreement; (4) that they have reviewed this Agreement, that this Agreement is written in a manner that is understandable to them, and that they indeed understand the entirety of this Agreement and the effect(s) of signing this Agreement; and, (5) that they sign this Agreement of their own free act and deed, without any coercion or duress, and that they hereby release the rights and claims set forth above in exchange for the consideration set forth in this Agreement.

17. **No Waiver**. Except as otherwise expressly provided in this Agreement, no delay by a Party in exercising any right or remedy will constitute a waiver of a Party's rights under this Agreement, and no waiver by either Party of the breach of any covenant of this Agreement by the other will be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

18. **Survivability**. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired.

19. **Successors and Assigns**. This Agreement is binding upon the Parties hereto and upon their respective heirs, administrators, representatives, successors and assigns and will inure to the benefit of said parties. The Parties warrant that they are the sole owners of all of their respective rights, causes of action and claims released in this Agreement and have not sold, assigned, transferred or granted to any person or entity any interest in any rights, causes of action, or claims released in this Agreement.

20. **Choice of Law and Venue**. This Agreement shall be governed by and interpreted according to the laws of the State of Oregon. Venue and jurisdiction shall reside exclusively in the courts of Umatilla County, Oregon, to the extent allowed by applicable law.

21. **Counterparts**. This Agreement may be executed in counterparts. Each such counterpart shall be deemed an original and all such counterparts shall together constitute one and the same instrument. This Agreement may be executed by facsimile signatures, each of which will be deemed an original.

22. **Additional Actions.** In conjunction with the release of claims herein, each Party to this Agreement agrees to execute and deliver all documents, and to cooperate and perform all additional actions which may be reasonably necessary to carry out the provisions of this Agreement and to give full force and effect to the terms and intent of this Agreement, including but not limited to court pleadings dismissing the Lawsuit with prejudice and without costs or attorneys' fees for any Party.

23. **No Admission.** With the exception of the obligations expressly undertaken by the Parties pursuant to this Agreement, nothing herein is intended to constitute an admission of liability by any Party with respect to any or all of the claims released, waived and discharged hereunder.

24. **Entire Agreement.** This instrument contains the entire Agreement and understanding concerning the subject matter hereof between the Parties and supersedes and replaces all prior negotiations, proposed agreements and agreements, written or oral. Each of the Parties acknowledges that no Party nor any agent or attorney of any other Party whatsoever has made any promise, representation or warranty, express or implied, not contained herein, concerning the subject matter hereof to induce it to execute this Agreement. Each of the Parties further acknowledges that it is not executing this Agreement in reliance on any promise, representation or warranty not contained herein. This Agreement may not be supplemented, modified, or amended in any manner, except by written agreement between the Parties.

So agreed:

Signatures on the following page.

UMATILLA COUNTY

By: John Shafer

Its: _____

Date: 1-27-24

MORROW COUNTY

Jeff Ventz

By: _____

Its: _____

Date: _____

POR OF UMATILLA

By: Robert J. Day

Its: _____

Date: _____

COLUMBIA DEVELOPMENT
AUTHORITY

John Shafer

By: John Shafer

Its: Vice Chair COA

Date: 1-27-24

POR OF MORROW

By: John Mittelstaedt

Its: _____

Date: _____

CONFEDERATED TRIBES OF THE
UMATILLA INDIAN RESERVATION

John Davey

By: John Davey

Its: _____

Date: _____

Exhibit 1 – Motion to Amend Resolution

“Pursuant to Section 2 of the written Mutual Release and Settlement Agreement, dated January, _____ 2026, (“Settlement Agreement”) the County of Umatilla moves the Columbia Development Authority (“CDA”) Board to amend its Board motions, dated March 26, and July 23, 2024 as follows:

- To Cleaver Land, LLC: Tract C2 to be distributed in accordance with CDA’s binding Lease-Option to Purchase Agreement with Cleaver Land LLC.
- To CTUIR: Tract I (4,019.1 acres) (including that portion in Morrow County) previously conveyed to CTUIR by a Real Estate Contract dated May 22, 2024 and Tract F.
- To Port of Umatilla: Tract G2, H, and all of the land in both Tract G and the “CDA/Industrial/Wildlife Habitat” that is south of a line that is drawn along the southern boundary of the Umatilla County Recharge zone (extended west to the boundary of the yellow colored section, and east to the boundary of the orange colored section (i.e. the I-82 Freeway)) as shown on the map attached Exhibit “A” and incorporated by reference into this motion.
- To Umatilla County: The Umatilla County Recharge Site, and all of Tract G and the “CDA/Industrial/Wildlife habitat” that lies to the north of the line that is drawn along the southern boundary of the Umatilla County Recharge zone (extended west to the boundary of the yellow colored section, and east to the boundary of the orange colored section (i.e. the I-82 Freeway)) as shown on Exhibit “A”.
- To Port of Morrow: Tract A, B, C, and E—and if and when CDA obtains title to D, and D2—those as well (or otherwise as agreed between Port of Morrow and Morrow County).

This motion supersedes and wholly replaces the March 26 and July 23, 2024 CDA Board motions. Pursuant to Section 6 of the Settlement Agreement, if approved by the CDA Board, this motion may not be amended or modified in the future without unanimous consent of all members of the CDA Board.”

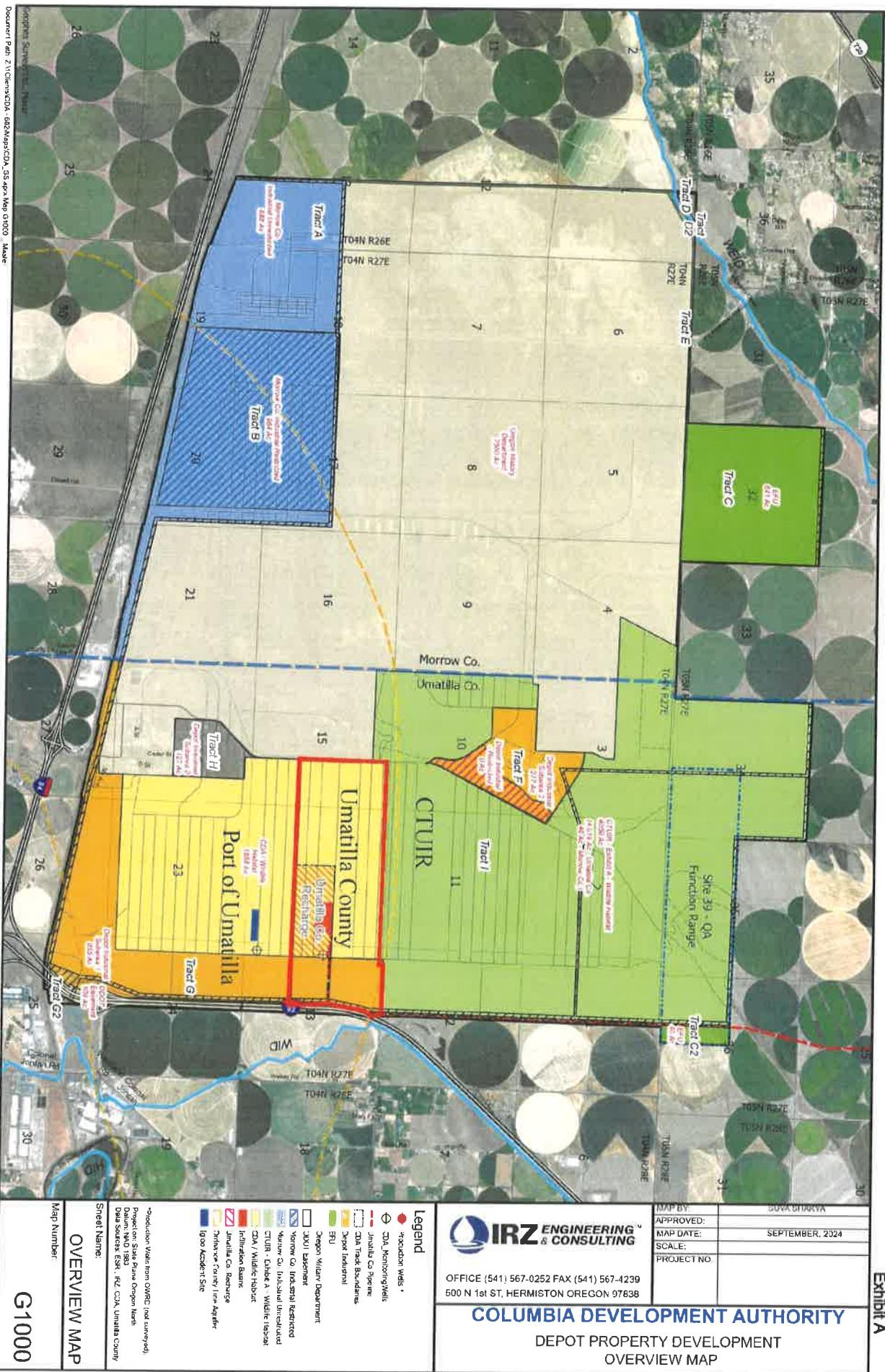


Exhibit A

CONFIDENTIAL SETTLEMENT COMMUNICATION
DRAFT – SUBJECT TO APPROVAL

Exhibit 2 – Written Statement Regarding Motion to Amend Resolution

This Written Statement is provided by the County of Umatilla and Port of Umatilla pursuant to Section 4 of the attached Mutual Release and Settlement Agreement dated September ___, 2025 (the “Settlement Agreement”).

Joint Statement of Port of Umatilla and Umatilla County

The Port of Umatilla and Umatilla County hereby jointly present this Written Statement concerning the forthcoming Motion to Amended Resolution (“Amended Motion”) to be presented to the Columbia Development Authority (“CDA”) Board. This statement is for informational purposes only.

I. Purpose and Intent

All members of the CDA recognize that the transition of the former Umatilla Army Depot property from military to civilian use represents a significant economic development opportunity for the region. Through this Settlement Agreement and the accompanying Amended Motion, both parties confirm their continued commitment to:

1. Resolving Past Disputes: Putting aside previous disagreements regarding property distribution and associated litigation costs to focus on collaborative economic development that benefits the people of the region.

2. Promoting Regional Economic Development: Cooperating for long term, sustainable, and maximally economic beneficial use of the lands within the former military installation.

II. Contents of the Amended Motion

Port of Umatilla and Umatilla County jointly support the Amended Motion because it:

- **Provides for Clear Division of Property:** Creating definitive property lines and allocations that eliminate ambiguity and potential future conflicts.
- **Facilitates Coordinated Development:** Creates opportunities for complementary development projects that can benefit from shared infrastructure and coordinated planning. Working collaboratively on shared infrastructure needs, including roads, utilities, and access ways.

III. Community Benefits

Both parties believe this Amended Motion serves the broader public interest by:

- Affirmatively resolving costly litigation that diverts resources from productive economic development.
- Creating a stable foundation for long-term investment and job creation.

CONFIDENTIAL SETTLEMENT COMMUNICATION
DRAFT – SUBJECT TO APPROVAL

- Ensuring responsible stewardship of this significant public asset.
- Promoting regional cooperation and collaboration.

This Written Statement reflects the mutual understanding and shared commitment of Port of Umatilla and Umatilla County to support the Amended Motion and working with all CDA members toward the successful civilian redevelopment of the former Umatilla Army Depot.

COUNTY OF UMATILLA By:  Name: _____ Title: _____ Date: <u>1-27-24</u>	PORT OF UMATILLA By:  Name: _____ Title: _____ Date: <u>1-27-2024</u>
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IN THE CIRCUIT COURT OF THE STATE OF OREGON
FOR THE COUNTY OF UMATILLA

COUNTY OF UMATILLA,

Plaintiff,

v.

COLUMBIA DEVELOPMENT
AUTHORITY, COUNTY OF MORROW,
PORT OF MORROW, PORT OF
UMATILLA,

Defendants.

Case No. 24CV31777

STIPULATED GENERAL JUDGMENT
OF DISMISSAL

This matter comes before the Court on plaintiff County of Umatilla, defendant Columbia Development Authority, County of Morrow, Port of Morrow, and Port of Umatilla's notice to the Court that they have settled their claims against each other in this action and are stipulating to the dismissal of the action with prejudice and without an award of attorney fees or costs to any party.

NOW, THEREFORE, IT IS ORDERED AND ADJUDGED that Plaintiff County of Umatilla, and defendants Columbia Development Authority, County of Morrow, Port of Morrow, and Port of Umatilla's claims against each other in this action are dismissed with prejudice and without an award of attorney fees or costs to any party.

PAGE 1- STIPULATED GENERAL JUDGMENT OF DISMISSAL

Best Best & Krieger LLP
360 SW Bond Street, Suite 400, Bend, Oregon 97702
Main (541) 382-3011 Fax (541) 388-5410

1
2 IT IS SO STIPULATED:
3

4 Dated: January ___, 2026

BEST BEST & KRIEGER LLP

5
6 By: s/
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10 COUNTY OF UMATILLA

11 Dated: January ___, 2026

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17 Attorneys for Defendant
18 Columbia Development Authority

19 Dated: January ___, 2026

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24 Attorneys for Defendant
25 County of Morrow

PAGE 2 - STIPULATED GENERAL JUDGMENT OF DISMISSAL

CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing STIPULATED GENERAL JUDGMENT
OF DISMISSAL on:

Elizabeth Howard
Mario E. Delegato
Sara C. Cotton
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by causing a full, true, and correct copy thereof to be sent by the following indicated method or methods, on the date set forth below:

by electronic service pursuant to ORCP 9 B and H, and UTCR 21.100. Pursuant to UTCR 2.020, service was accomplished at the party's email address as recorded on the date of service in the eFiling System

DATED January , 2026

BEST BEST & KRIEGER LLP

s/ *Curtis Glaccum*

CURTIS GLACCUM, Bar No. 161732
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Of Attorneys for Plaintiff