

NOTICE OF A PENDING CLASS ACTION

County of Linn v. State of Oregon and the State Forestry Department, 16CV07708
Circuit Court of the State of Oregon
Twenty Third Judicial District
Linn County

The Circuit Court of the State of Oregon for Linn County authorizes this notice. This notice is not a solicitation from a lawyer.

Your governmental entity is receiving this notice because your organization is believed to be a class member in a class action case filed in Linn County Circuit Court involving lands that certain Oregon counties conveyed to the State of Oregon (the "State") pursuant to ORS 530.010 *et seq.* and predecessor laws and statutes (the "Act").

This Notice provides your governmental entity a summary of the case and explains your rights with respect to the case. For additional information you may contact Class Counsel, John A. DiLorenzo, Jr. of Davis Wright Tremaine LLP. Mr. DiLorenzo's contact information is provided at the bottom of this Notice.

What is the case about?

The case is filed in Linn County Circuit Court and is entitled *County of Linn v. State of Oregon and the State Forestry Department*, Linn County case number 16CV07708.

Linn County is the plaintiff in the case. The State and the Oregon Department of Forestry are the Defendants.

Linn County alleges that Linn County and other Oregon counties (collectively, the "Counties") have conveyed forestlands to the State pursuant to the Act.

Linn County alleges that the Act and the conveyances of lands made by the Counties to the State under Act, created a contract between the Counties and the State and that, pursuant to the terms of the Act and the contract, the State was required to manage the lands and to return to the Counties, and to the taxing districts in which the lands are situated, a percentage of the revenues derived from the land. Linn County alleges that those taxing districts are intended beneficiaries of the contract.

Linn County alleges that the Act and contract mandates that the Defendants shall manage the forestlands the Counties conveyed to the State "so as to secure the greatest permanent value of the lands to the state." Linn County alleges that in 1998, the State adopted an administrative rule, OAR 629-035-020 (the "GPV Rule"), which defined the term "Greatest Permanent Value." Linn County alleges that the State's implementation of the GPV Rule breached the contract between the Counties and the State, causing damages to the Counties and to the taxing districts in which the lands are situated.

Linn County brings the case as a class action on behalf of itself, and on behalf of a class consisting of the other Counties who had conveyed lands to the State under the Act and the taxing districts in which the lands are situated.

What does the Case Seek?

Linn County asserts a single claim, a claim for breach of contract. Linn County seeks a single form of relief, money damages from the Defendants based on the alleged breach of contract.

Linn County's complaint seeks One Billion Four Hundred Nine Million Six Hundred Thousand dollars (\$1,409,600,000.00) on behalf of the Counties and the taxing districts. This figure includes both past alleged damages and an estimate of future damages.

The State denies many of Linn County's allegations, denies any liability to Linn County or any member of the class, and denies that individual class members have been damaged.

Has the Court Approved the Case as a Class Action?

Yes. By order signed October 11, 2016, the Court granted Linn County's Motion for Class Certification, having found that this case meets the requirements to proceed as a class action. As a result of that decision, the Court has authorized that this Notice be sent to the class members.

The Court has not ruled that the Defendants breached the contract, and by issuing this notice the Court is not expressing any opinion as to the merits of the case. The Court has not yet set a date for the trial of this case.

Who is a Member of the Class?

The class includes: (a) Linn County and all other all Oregon counties that conveyed forestlands to the State of Oregon pursuant to ORS 530.010 *et seq.* and predecessor laws and statutes (the "Act"); and (b) all other local government entities that share or receive revenue generated under Act. Your organization is receiving this notice because your organization is believed to be a class member.

How does my organization participate in the class action?

As a member of the class, your organization does not need to take any further action to participate in the case and potentially share in any recovery of damages from the Defendants. If your governmental entity chooses to take no action, its interests as a class member will be represented by Linn County and by the lawyers for the class members, who have been appointed by the Court, and your organization may be bound by the terms of any final judgment entered in the class action.

If your governmental entity chooses, it may exclude itself from the case so that your organization is not bound by the result. If your governmental entity excludes itself from the case, however, it will not share in the recovery of any money damages.

How does my governmental entity exclude itself from this case?

If your governmental entity does not want to participate in the case, you may exclude it by sending a letter that includes the following: (1) your governmental entity's name, address, and telephone; (2) a written statement saying that your governmental entity wishes to be excluded from the case; and (3) an authorized signature on behalf of your governmental entity. To be excluded from this case, your governmental entity must mail or deliver a written request for exclusion no later than January 25, 2017, to John A. DiLorenzo, Jr., Davis Wright Tremaine LLP, 1300 SW Fifth Ave, Suite 2400, Portland, Oregon 97201.

If your governmental entity excludes itself from the class, it will not be bound by any judgments entered in the class action, nor will it be entitled to the benefit of any judgments, such as damages, entered in the class action. Your organization will remain free to pursue any legal rights you may have against the Defendants; however, the class representatives and class counsel will not represent your governmental entity as to any claims against the Defendants. Know that if you request exclusion from the class in order to pursue any legal rights against Defendants there may be important time considerations in bringing such claims.

Who are the Attorneys appointed by the Court to Represent the Class?

The Court has appointed the law firm of Davis Wright Tremaine LLP, 1300 SW Fifth Ave, Suite 2400, Portland, Oregon 97201, to represent the class.

The attorneys for the class will ask the Court to award any attorney fees based on a percentage of the total recovery of the class, and will not ask your governmental entity to directly pay any fees or costs.

How do we get additional information?

Please do not call the Court or any Judge's office about this matter. If your governmental entity would like further information, please contact Class Counsel:

John A. DiLorenzo, Jr.
Davis Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2400
Portland, OR 97201
Tel: (503) 241-2300

November 23, 2016,

Daniel R. Murphy
Circuit Judge
Linn County Circuit Court

