

These meetings will be available via phone, internet using Zoom and in person. Members of the public wishing to attend these meetings electronically can call in or attend virtually by following the directions below. This information can also be found on the City's website

## **AGENDA**

### **SPRINGFIELD ECONOMIC DEVELOPMENT AGENCY (SEDA)**

225 Fifth Street, Springfield, OR 97477

City Council Chambers

or

Virtual Attendance

Registration Required:

Attend from your computer, tablet or smartphone:

Zoom

Meeting ID: 897 3813 1594

[https://us06web.zoom.us/webinar/register/WN\\_-uNfwk-ROaKdFx7bG1bWQ](https://us06web.zoom.us/webinar/register/WN_-uNfwk-ROaKdFx7bG1bWQ)

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**April 22, 2024**

The meeting location is wheelchair-accessible. For the hearing-impaired, an interpreter can be provided with 48 hours notice prior to the meeting.

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### ***SEDA REGULAR MEETING***

**7:15 p.m.**

#### CALL TO ORDER & ROLL CALL

Sean VanGordon\_\_\_, Michelle Webber\_\_\_, Steve Moe\_\_\_, Kori Rodley\_\_\_, Beth Blackwell\_\_\_, Victoria Doyle\_\_\_, Joe Pishioneri\_\_\_, and David Loveall\_\_\_.

#### CONSENT CALENDAR

1. MINUTES
  - a. April 8, 2024 Regular Session Minutes
2. RESOLUTIONS

#### **MOTION: APPROVE/REJECT THE CONSENT CALENDAR**

#### COMMUNICATIONS

1. Business from the Audience: **Please limit comments to 3 minutes. Request to Speak cards are available at the entrance. Please present cards to City Recorder. Speakers may not yield their time to others and the Board cannot engage in discussion/conversation with the individual providing comment/testimony.**
2. Correspondence
3. Business from the Staff

#### REPORT OF CHAIR

#### REPORTS OF COMMITTEES

#### PUBLIC HEARINGS

NEW BUSINESS

OLD BUSINESS

1. Past Payments of System Development Charges  
[Kristina Kraaz and Allie Camp] (10 Minutes)

**MOTION: ADOPT/NOT A RESOLUTION RETROACTIVELY ASSUMING PAYMENT OF CERTAIN SYSTEM DEVELOPMENT CHARGES AS ESTABLISHED BY SPRINGFIELD MUNICIPAL CODE SECTION 3.406 FOR THE PERIOD FROM JULY 1, 2014 THROUGH DECEMBER 31, 2023**

2. Downtown Real Property Agreement  
[Allie Camp] (5 Minutes)

**MOTION: APPROVE/NOT APPROVE AN ADJUSTMENT TO THE SALE PRICE TERM WITHIN AN OPTION AGREEMENT WITH U.S. BANK FOR ONE TAX LOT IN DOWNTOWN SPRINGFIELD MAP 17-03-35-31, TAX LOT 11200**

ADJOURNMENT

MINUTES OF THE MEETING OF THE  
SPRINGFIELD ECONOMIC DEVELOPMENT AGENCY  
HELD MONDAY APRIL 8, 2024

The Springfield Economic Development Agency (SEDA) met in person and via Zoom on Monday, April 8 at 7:01 p.m., Chair Rodley presiding.

**CALL TO ORDER**

Chair Kori Rodley called the meeting to order at 7:02 pm with roll call. A quorum was present.

**ATTENDANCE**

Present were Chair Kori Rodley, Vice Chair Victoria Doyle, Board Members Sean VanGordon, Beth Blackwell, Michelle Webber, Steve Moe, and David Loveall. Board Member Pishioneri was absent.

**STAFF PRESENT**

Assistant City Manager Niel Laudati, City Manager Nancy Newton, Mary Bridget Smith City Attorney, Staff Liaison Allie Camp, and Allyson Pulido Interim City Recorder,

**CONSENT CALENDAR**

1. MINUTES

- a) March 11, 2024 minutes

2. RESOLUTIONS

**MOTION:** Vice Chair Doyle moved to approve the Consent Calendar, seconded by Board Member Loveall. The motion passed unanimously with a vote of 6 for 0 against, one absent (Pishioneri)

**COMMUNICATIONS**

1. Business from the Audience -Two members of the public, including the owner of a downtown business, spoke in support of a late rent repayment plan for the business, which struggled during the pandemic and in the aftermath. The owner of the business presented a letter for the board to review.

1. Correspondence- None

2. Business from the Staff- None

**NEW BUSINESS**

- 1. Downtown Real Property Agreement

Board Member Loveall said he had a direct conflict of interest and left the room for the discussion.

Ms. Allie Camp introduced an option agreement for a property in downtown Springfield. She provided some background on the property.

**MOTION:** Vice Chair Doyle moved to authorize the City Manager to negotiate and enter into an option agreement with U.S. Bank for one tax lot in Downtown Springfield Map 17-03-35-31 Tax Lot 11200, upon the terms substantially provided in Attachment 1, Board Member VanGordon seconded. The motion passed unanimously 6 for 0 against, one absent (Pishioneri). Board Member Loveall Abstained.

**OLD BUSINESS**

- 1. Vino and Vango Lease Review

Ms. Camp reviewed current status of the Vino and Vango tenant.

**MOTION:** Vice Chair Doyle made a motion with the following statement. 1. The tenant of Vino and Vango was in default on their current lease agreement at 236 Main Street and 240 Main Street. 2. SEDA terminates the leases

at 236 Main Street and 240 Main Street with 30 days' notice to the tenant. 3. That if the tenant vacates both premises completely before the 30 days, the City Manager forgive the tenant and personal guarantor of all past rent and fees due, except for forfeiture of the tenant security deposit. 4. If before the end of the 30 days notice period, the tenant pays all past due rent including fees and interest for the leases at 236 and 240 Main Street and the terminated storage lease, then the city manager is authorized to enter into a new lease agreement in substantially the same form provided in attachment 1, but not including the repayment plan. Board Member VanGordon seconded.

The motion passed unanimously with 7 for 0 against, one Absent (Pishioneri).

#### **ADJOURNMENT**

Meeting was adjourned by Chair Doyle at 7:17 p.m.

(Minutes recorded by Lydia Harvey, LCOG)

Attest:

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Allie Camp, SEDA Staff Liaison

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**AGENDA ITEM SUMMARY**

**Meeting Date:** 4/22/2024  
**Meeting Type:** Regular Meeting  
**Department:** CAO/CMO  
**Staff Contact:** Kristina Kraaz  
Allie Camp  
**Staff Phone No:** 541-744-4061  
**Estimated Time:** 10 Minutes

**SPRINGFIELD ECONOMIC  
DEVELOPMENT AGENCY**

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**ITEM TITLE:** PAST PAYMENTS OF SYSTEM DEVELOPMENT CHARGES

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**ACTION  
REQUESTED:** Adopt/not adopt the following Resolution:  
A RESOLUTION RETROACTIVELY ASSUMING PAYMENT OF CERTAIN  
SYSTEM DEVELOPMENT CHARGES AS ESTABLISHED BY SPRINGFIELD  
MUNICIPAL CODE SECTION 3.406 FOR THE PERIOD FROM JULY 1, 2014  
THROUGH DECEMBER 31, 2023

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**ISSUE  
STATEMENT:** A resolution and MOU are needed for SEDA to assume payment for systems  
development charges (SDCs) for projects in the Downtown and Glenwood urban  
renewal areas for the period from July 1, 2014 through December 31, 2023

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**ATTACHMENTS:** [1. Proposed Resolution](#)  
[2. Draft Memorandum of Understanding between City and SEDA](#)

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**DISCUSSION/  
FINANCIAL  
IMPACT:** At the November 13, 2023 meeting, the SEDA Board discussed the SEDA SDC  
Program which formally lapsed on July 1, 2014, but for which City and SEDA staff  
continued to issue SDC waivers for projects in the two Urban Renewal areas. The  
amount of SDCs waived during this period was \$1,873,459.65 total: \$570,718.03  
for Downtown and \$1,302,741.62 for Glenwood. The Board reviewed the ways in  
which waived SDCs have contributed to tax increment growth in the Downtown  
and Glenwood Urban Renewal areas. The Board provided direction on  
reauthorizing the SEDA SDC Program, as well as SEDA assuming the waivers  
issued since July 1, 2014.

On January 8, 2024, the Board adopted a Resolution to continue the SEDA SDC  
Program for five years, from January 1, 2024 to December 31, 2028 ([Resolution  
SEDA2024-03](#)).

The proposed Resolution (Attachment 1) retroactively assumes payment by SEDA  
for SDCs waivers from July 1, 2014 to December 31, 2023, and provides the  
following parameters for repayment to occur:

- Downtown SDCs will be immediately repaid to the City.
- Glenwood SDCs will be deferred to a later time when the funds can be  
applied to the cost of construction for public improvements under the  
Glenwood Urban Renewal Plan.

Resolution SEDA2024-03 directed the City Manager, City Finance Director, and  
Development and Public Works Community Development Division Director to  
draft and execute an Memorandum of Understanding (MOU) between the City and  
SEDA, for SEDA payment of SDCs under the newly authorized SEDA SDC  
Program. The proposed Resolution (ATT 1) includes similar authorization for an  
MOU regarding SEDA repayment of the prior waived SDCs. Attachment 2 is a  
draft of the MOU for both the current SEDA SDC Program and for repayment of  
prior SDCs. The MOU will need to be approved by the City Council on behalf of  
the City at a later date.

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**SPRINGFIELD ECONOMIC DEVELOPMENT AGENCY (SEDA)**  
**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION RETROACTIVELY ASSUMING PAYMENT OF CERTAIN SYSTEM  
DEVELOPMENT CHARGES AS ESTABLISHED BY SPRINGFIELD MUNICIPAL CODE SECTION  
3.406 FOR THE PERIOD FROM JULY 1, 2014 THROUGH DECEMBER 31, 2023**

**WHEREAS**, the Downtown Urban Renewal Plan section 600.B and the Glenwood Urban Renewal Plan section 600.B authorize the Springfield Economic Development Agency (SEDA) to provide financial assistance for new construction, redevelopment, and rehabilitation of properties within the respective urban renewal areas;

**WHEREAS**, on June 10, 2013, the SEDA Board adopted Resolution SEDA2013-04:

A RESOLUTION OF THE BOARD OF THE SPRINGFIELD ECONOMIC DEVELOPMENT AGENCY PROVIDING AN INCENTIVE TO DEVELOPMENT IN DOWNTOWN AND GLENWOOD BY ASSUMING CERTAIN PORTIONS OF THE SYSTEMS DEVELOPMENT CHARGES AS ESTABLISHED IN THE SPRINGFIELD MUNICIPAL CODE, SECTION 3.406, AND SPECIFYING AN EFFECTIVE DATE;

**WHEREAS**, Resolution SEDA2013-04 assumed the financial obligation for certain systems development charges (SDCs) imposed for development consistent with either the Downtown Urban Renewal Plan or Glenwood Urban Renewal Plan for the period from July 1, 2013 to June 30, 2014;

**WHEREAS**, the City and SEDA staff continued to waive collection of certain SDCs for development in each urban renewal area after June 30, 2014 on the mistaken belief that said waiver was authorized by the Board;

**WHEREAS**, on January 8, 2024, the Board adopted Resolution SEDA2024-03, assuming payment of SDCs for the period January 1, 2024 to December 31, 2028:

A RESOLUTION INCENTIVIZING DEVELOPMENT IN THE DOWNTOWN URBAN RENEWAL AREA AND GLENWOOD URBAN RENEWAL AREA BY ASSUMING PAYMENT OF CERTAIN SYSTEM DEVELOPMENT CHARGES AS ESTABLISHED BY SPRINGFIELD MUNICIPAL CODE SECTION 3.406 THROUGH THE PERIOD ENDING DECEMBER 31, 2028

**WHEREAS**, the Board has reviewed the SDCs that were waived from July 1, 2014 to December 31, 2023 and finds that the waived SDCs had the effect of stimulating development in each urban renewal area in a manner consistent with the Downtown Urban Renewal Plan and Glenwood Urban Renewal Plan;

**WHEREAS**, the Board concludes that it is in the public interest to assume the financial obligation for waived SDCs arising from development and redevelopment in each of the urban renewal areas for the period July 1, 2014 to December 31, 2023, in the amount of \$1,873,459.65 (\$570,718.03 for Downtown and \$1,302,741.62 for Glenwood); and

**WHEREAS**, the Board wishes to authorize the Springfield City Manager, Finance Director, and Development and Public Works Community Development Division Director to develop and execute an interagency memorandum of understanding between the City and SEDA to provide for SEDA reimbursement to the City of the waived SDCs assumed by SEDA,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SEDA, AN URBAN RENEWAL AGENCY OF THE CITY OF SPRINGFIELD, AS FOLLOWS:

Section 1: SEDA hereby assumes the financial obligation for up to \$1,873,459.65 arising from transportation, stormwater, and local wastewater system development charges for new construction, redevelopment, and rehabilitation projects within the Downtown Urban Renewal Area and Glenwood Urban Renewal Area that were waived during the period from July 1, 2014 to December 31, 2023.

Section 2: The City Manager, City Finance Director, and Development and Public Works Community Development Division Director are directed to develop and execute a memorandum of understanding (MOU) between the City and SEDA providing for the payment to the City of SDCs assumed by SEDA as follows:

- A. For systems development charges waived within the Downtown urban renewal area as provided in Section 1 of this Resolution, SEDA will pay to the City an amount not to exceed \$570,718.03.
- B. For systems development charges waived within the Glenwood urban renewal area as provided in Section 1 of this Resolution, SEDA will incur SDCs as a debt owed to the City of Springfield not to exceed \$1,302,741.62, to be paid to the City upon terms specified in the MOU, to allow SEDA funds to be strategically applied to costs of eligible public improvements in Glenwood Urban Renewal Area.
- C. SEDA's debts incurred under this Resolution will be subordinate to all other indebtedness owed by SEDA to the City and to all other borrowings approved by SEDA that are secured by tax increment revenues.

ADOPTED by the Board of the Springfield Economic Development Agency this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by a vote of \_\_\_\_\_ for and \_\_\_\_\_ against.

ATTEST:

\_\_\_\_\_  
Board Secretary

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE CITY OF SPRINGFIELD &  
SPRINGFIELD ECONOMIC DEVELOPMENT AGENCY  
REGARDING SYSTEMS DEVELOPMENT CHARGES IN URBAN RENEWAL AREAS**

**EFFECTIVE DATE:** \_\_\_\_\_, 2024

**RECITALS:**

- A. The City of Springfield ("City") and Springfield Economic Development Agency ("SEDA") are parties to a Cooperation and Services Agreement that declares each party's intent to mutually cooperate in carrying out the Downtown Urban Renewal Plan and Glenwood Urban Renewal Plan, and defines each party's obligations in carrying out these plans.
- B. The City and SEDA are parties to an Intergovernmental Agreement to Advance and Repay Funds Needed for Urban Renewal Projects ("Advance and Repay IGA"), under which the City may advance up to \$1,500,000 to SEDA at any point in time, with the balance to be repaid from SEDA's tax increment revenues over time.
- C. In furtherance of the Downtown Urban Renewal Plan and Glenwood Urban Renewal Plan, the SEDA Board has adopted Resolution 2024-03:

A RESOLUTION INCENTIVIZING DEVELOPMENT IN THE DOWNTOWN  
URBAN RENEWAL AREA AND GLENWOOD URBAN RENEWAL AREA BY  
ASSUMING PAYMENT OF CERTAIN SYSTEM DEVELOPMENT CHARGES AS  
ESTABLISHED BY SPRINGFIELD MUNICIPAL CODE SECTION 3.406  
THROUGH THE PERIOD ENDING DECEMBER 31, 2028.

Said resolution directs the City Manager, Finance Director, and Development and Public Works Community Development Division ("CMD") Director to develop and execute a Memorandum of Understanding (MOU) between the City and SEDA to carry out the SEDA SDC Program.

- D. The SEDA Board has adopted Resolution 2024-0X, which also directs the City Manager, Finance Director, and CMD Director to execute an MOU to carry out its requirements:

A RESOLUTION RETROACTIVELY ASSUMING PAYMENT OF CERTAIN  
SYSTEM DEVELOPMENT CHARGES AS ESTABLISHED BY SPRINGFIELD  
MUNICIPAL CODE SECTION 3.406 FOR THE PERIOD FROM JULY 1, 2014  
THROUGH DECEMBER 31, 2023.

- E. Per the terms of the Cooperation and Services Agreement, the City, by and through City staff, has agreed to act upon request of SEDA as SEDA's agent for purposes of necessary activities normally performed by the City with reference to public improvements in the City, which includes but is not limited to, carrying out Springfield Municipal Code (SMC) sections 3.400 to 3.420 regarding systems development charges.



- F. All references herein to the City Manager, Finance Director, and CMD Director includes their authorized representatives or designees.

**NOW, THEREFORE**, in consideration of the foregoing, City and SEDA agree to the following:

**Article I. SDC payments after January 1, 2024.** The following terms and conditions apply only to SDCs that are assumed by SEDA under Resolution SEDA 2024-03 for the period from January 1, 2024 to December 31, 2028, unless extended by further Resolution of the SEDA Board.

1. Scope of SEDA SDC Program.
  - a. SEDA will only assume financial responsibility for payment of transportation, stormwater, and local wastewater SDCs imposed for new construction, redevelopment, or rehabilitation projects within the Downtown Urban Renewal Area and Glenwood Urban Renewal Area.
  - b. If an applicant is eligible for a City-sponsored SDC waiver (such as SDC waivers for income-qualified housing or for certain accessory dwelling units), then the City-sponsored SDC waiver will be applied first.
  - c. SEDA will not assume financial responsibility for SDCs related to (i) owner-occupied residential structures, unless the applicant meets the definition of low- or moderate-income household and the SDCs are directly related to correcting health and safety problems in substandard housing, nor (ii) public facilities or other tax-exempt public property except when explicitly authorized by the SEDA Board.
  - d. Within the Downtown Urban Renewal Area, SEDA will assume financial responsibility for up to \$100,000 in eligible SDCs per project. If a project exceeds \$100,000 in eligible SDCs, then either (i) the applicant may choose to pay the balance of SDCs owed (the total amount of SDCs less \$100,000 in SEDA SDC Program funding), or (ii) the SEDA Board may authorize additional SEDA SDC Program funds for that project.
  - e. Within the Glenwood Urban Renewal Area, SEDA will assume financial responsibility for up to \$2,000,000 in eligible SDCs in total. There is no per-project limit to eligible SDCs in the Glenwood Urban Renewal Area.
2. Applications. The City Manager will develop a SEDA SDC Program application form. The CMD Director will ensure that the form is provided to all applicants proposing development that is within the scope of the SEDA SDC Program, and that applications are approved by the City Manager before entering a SEDA credit for payment of SDCs into CMD's permit records.
3. Downtown Urban Renewal Area. SEDA will pay the amount of eligible SDCs for a project (up to \$100,000) within 30 days of CMO receiving a funds transfer request from CMD. Alternatively, SEDA may request the City advance funds under the Advance and Repay IGA for eligible SDCs under this section. SEDA will not be required to pay SDCs

under this section until the applicable project receives its certificate of occupancy or other final approval. If the SEDA Board approves a project to receive more than \$100,000 in SEDA SDC Program funding, the City and SEDA may mutually agree upon other means for payment.

4. Glenwood Urban Renewal Area. SEDA may defer payment to the City of eligible SDCs until such time as the SDCs can be applied to the cost of construction of an SDC-eligible public improvement as provided in SMC 3.410. CMO will keep an accurate log of deferred SDCs under this section. Deferred SDCs under this section will not be considered an advance of funds per the Advance and Repay IGA. CMO and CMD will mutually cooperate to ensure that SDC-eligible public improvements are planned for inclusion in the applicable public improvement plan, and that SEDA's deferred SDCs are applied to public improvements that contribute to urban renewal.

**Article II. SDC payments for July 1, 2014 to December 31, 2023.** The following terms and conditions apply only to SDCs that are assumed by SEDA under Resolution **SEDA 2024-0X** for the period from July 1, 2014 to December 31, 2023.

1. Downtown Urban Renewal Area. During **fiscal year 2025**, SEDA will make a one-time payment to the City of \$570,718.03 for SDCs for new construction, redevelopment, and rehabilitation in the Downtown Urban Renewal Area. Alternatively, SEDA may request the City advance funds under the Advance and Repay IGA for the one-time payment under this section.
2. Glenwood Urban Renewal Area. SEDA will defer payment for up to \$1,302,741.62 for SDCs for new construction, redevelopment, and rehabilitation in the Glenwood Urban Renewal Area, until such time as the SDCs can be applied to the cost of construction of an SDC-eligible public improvement as provided in SMC 3.410, and subject to the provisions of Article I, section 4 of this MOU.

**Article III. General Terms and Conditions.**

1. This MOU will terminate on December 31, 2028, or the last date that all deferred SDCs have been paid to the City under Article I section 4 and Article II section 2, whichever occurs last, unless further extended by mutual agreement of the parties.
2. The City and SEDA agree to mutually cooperate with each other in good faith to implement the matters described in this MOU. The matters described in this MOU will be carried out consistent with, and subject to, the terms and conditions of the Cooperation and Services Agreement.
3. Nothing in this agreement modifies the existing terms and conditions of the Cooperation and Services Agreement, nor the Advance and Repay IGA.
4. All SDCs that SEDA defers for future payment under this MOU are subordinate to all other indebtedness owed by SEDA under the Advance and Repay IGA and to all other borrowings approved by SEDA that are secured by tax increment revenue.

5. This MOU may only be amended or terminated by the agreement of both parties in writing.

**SPRINGFIELD ECONOMIC DEVELOPMENT AGENCY:**

\_\_\_\_\_  
Nancy Newton  
City Manager

Date: \_\_\_\_\_

**CITY OF SPRINGFIELD:**

\_\_\_\_\_  
Nathan Bell  
Finance Director

\_\_\_\_\_  
Jeff Paschall  
Development & Public Works  
Community Development Division Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_

DRAFT

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**AGENDA ITEM SUMMARY**

**Meeting Date:** 4/22/2024  
**Meeting Type:** Regular Meeting  
**Department:** CMO  
**Staff Contact:** Allie Camp  
**Staff Phone No:** 541-726-3688  
**Estimated Time:** 5 minutes

**SPRINGFIELD ECONOMIC  
DEVELOPMENT AGENCY**

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**ITEM TITLE: DOWNTOWN REAL PROPERTY AGREEMENT**

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**ACTION REQUESTED:** Approve/Not Approve an adjustment to the sale price term within an Option Agreement with U.S. Bank for one tax lot in Downtown Springfield Map 17-03-35-31, Tax Lot 11200.

**ISSUE STATEMENT:** The Springfield Economic Development Agency (SEDA) presented a draft Option Agreement for 437 Main Street, and the seller has provided feedback on the sale price term.

**ATTACHMENTS:** 1. Option Agreement- highlighted

**DISCUSSION/  
FINANCIAL  
IMPACT:** On April 8<sup>th</sup>, the SEDA Board approved delegation of the negotiation and entrance of the Option Agreement to the City Manager substantially in the form provided at the meeting. The seller has indicated that they will not sell the property for under list price. SEDA's initial proposal was to offer list price or appraised value, whichever is lower. This is for an "as-is" property. Staff are requesting that the Board review the sale price term in the Option Agreement draft (ATT 1).

The remaining key business points are-

- SEDA's Option Payment is 3% of the list price (\$43,500). Money for the Option goes towards the Purchase Price at close. If the Option is terminated because of due diligence findings, SEDA would receive the Option Payment back, less \$10.
- SEDA will be issued a quitclaim deed unless a different type of deed form is required by the Title Company to issue the Title Policy.
- This transaction does not include any personal property.
- This agreement is the same agreement that would be used for the purchase.

The entrance into the Option Agreement begins the Option Term. The Option Term starts a 30-day due diligence period. Staff will return to SEDA with findings from the due diligence period to determine how to proceed. Due diligence activities are anticipated to cost between \$10,000 and \$15,000, not including the cost of outside counsel. Should SEDA proceed, closing must occur within 10 business days from notice of exercising the Option, and no more than 60 days from the Option Term.

The property is a large lot in a strategic location connecting South A. Street and Main Street. The site is 0.71 acres and is zoned Mixed Use Commercial. The Springfield Development Code states the primary development objectives of the zone are to expand housing opportunities; allow businesses to locate in a variety of settings; provide options for living, working, and shopping environments; facilitate more intensive use of land while minimizing potentially adverse impacts; and provide options for pedestrian-oriented lifestyles. SEDA's interest in acquisition is for future redevelopment of the site.

The property will need to be added to the Downtown Urban Renewal Plan Section 700 C. by Resolution. Staff will return with that Resolution at a later date.

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## OPTION AGREEMENT

THIS OPTION AGREEMENT (this “**Agreement**”) is entered into as of \_\_\_\_\_, 2024 (the “**Effective Date**”), by and between U.S. BANK NATIONAL ASSOCIATION, a national banking association (“**Seller**”), and SPRINGFIELD ECONOMIC DEVELOPMENT AGENCY, an urban renewal agency of the City of Springfield, a municipal corporation of the state of Oregon (“**Buyer**”).

### RECITALS

A. Seller is the owner of certain real property (together with all buildings and improvements located thereon, if any, the “**Real Property**”) located at 437 Main Street in Springfield, Oregon, which real property is legally described on Exhibit A.

B. Buyer desires to secure from Seller the option to purchase (a) the Real Property, and (b) all transferable licenses, permits, entitlements, government approvals, warranties, guaranties, and other appurtenances and general intangibles benefiting or appurtenant to the Real Property, including, without limitation, Seller’s interest in all mineral rights, water rights, transferable development rights, and any rights in abutting rights of way (“**General Intangibles**”), all on the terms contained in this Agreement. The Real Property and General Intangibles are sometimes collectively referred to herein as the “**Property**”.

C. Seller is willing to grant such option to Buyer, subject to and upon the terms and conditions of this Agreement.

ACCORDINGLY, in consideration of the above Recitals and for other good and valuable consideration, including the mutual agreement to the terms and conditions hereinafter contained, Seller and Buyer hereby agree as follows:

1. Grant of Option. Seller hereby grants to Buyer an option (the “**Option**”) to purchase the Property during the Option Term (as defined in Section 2), subject to and upon the terms and conditions of this Agreement.

2. Option Term. The term of the Option (the “**Option Term**”) shall commence on the Effective Date and shall continue until 5:00 p.m. Pacific time on the thirtieth (30<sup>th</sup>) day after the Contingency Date, unless sooner terminated as provided in this Agreement. In the event the Option Term expires without Buyer having exercised the Option by closing on the purchase of the Property, then this Agreement shall automatically expire and terminate effective as of the date and time of such expiration, and the Earnest Money (as defined in Section 3.1.1) shall be disbursed to Seller.

3. Purchase Price. The “**Purchase Price**” for the Property shall be the lesser of (a) One Million Four Hundred Fifty Thousand and No/100 Dollars (\$1,450,000.00), and (b) the value of the Property as determined by an MAI appraisal obtained by Buyer, payable as follows:

3.1. Earnest Money.

{01425396;3} 1

3.1.1 Initial Deposit. Within five (5) days after the Effective Date, Buyer shall deposit an initial earnest money deposit in the amount of Forty-Three Thousand Five Hundred and No/100 Dollars (\$43,500.00) (the “**Initial Deposit**”) into escrow with First American Title Insurance Company, 121 S. 8<sup>th</sup> Street, Suite 1250, Minneapolis, Minnesota 55402 (“**Title Company**”) by wire transfer of immediately available funds. If Buyer fails to timely deliver the Initial Deposit, as Seller’s sole and exclusive remedy, this Agreement shall immediately terminate and be of no further force or effect (subject to Section 15). As used in this Agreement, the “**Earnest Money**” shall mean the Initial Deposit, plus all interest earned on the deposit. The Earnest Money shall be non-refundable, except as otherwise expressly provided in this Agreement, and will be credited against the Purchase Price at Closing (as defined in Section 6.1).

3.2. Balance of Purchase Price. Buyer will pay the balance of the Purchase Price pursuant to Section 6.

#### 4. Due Diligence.

4.1. Entry; Inspections. Subject to the terms of this Section 4.1, Buyer and its officers, directors, employees, shareholders, members, partners, consultants, contractors and agents (collectively, the “**Buyer Parties**”) shall have the right to enter the Property during the Executory Period (as defined in Section 9 below) and during normal business hours to inspect the same, perform surveys, environmental assessments, soil and other tests and investigations Buyer deems necessary in its sole and absolute discretion to evaluate the condition of the Property (collectively, the “**Reports**”); provided, however, no Buyer Parties may perform a “Phase II” or other follow-up environmental inspection or any soil or other testing that involves any borings or other invasive testing of any kind without Seller’s prior written consent, which consent Seller shall not unreasonably withhold, condition or delay. Buyer shall (a) give Seller reasonable advance notice prior to any entry to the Property, (b) comply with the terms of any leases affecting the Property in connection with any such entry, and (c) permit Seller to have a representative present during any such entry. Buyer shall restore any damage to the Property caused by such entry or inspection and shall indemnify and hold Seller harmless from all liabilities incurred by Seller and arising out of any such entry or inspection; provided, however, that Buyer shall not be required to indemnify Seller if and to the extent that any such liabilities were (i) caused by the gross negligence or misconduct of Seller, its employees, representatives or its agents, or (ii) related to pre-existing conditions at the Property discovered by Buyer or its agents, representatives, consultants, or contractors. At all times during the performance of any such entry or inspection and prior to entering the Property pursuant to this Section 4.1, Buyer shall obtain and keep in full force and effect or shall cause any consultant entering onto the Property to obtain in full force and effect a policy of commercial general liability insurance with an insurance company licensed to do business in the state where the Property is located and having a rating of at least “A-VII” by A.M. Best Company with a combined single limit of not less than Two Million Dollars (\$2,000,000.00) on an occurrence basis for bodily or personal injury or death and Three Million Dollars (\$3,000,000.00) aggregate per location (provided that such limits may be achieved through an umbrella or excess liability policy), insuring all activity and conduct of Buyer and the Buyer Parties during any such

entry or inspection, including property damage, personal injury or death and contractual liability coverage. Seller shall be named an insured on such insurance policy, and Buyer shall provide proof of such insurance to Seller, in a form reasonably acceptable to Seller, prior to any such entry. Buyer's obligations under this Section 4.1 shall survive Closing or any termination of this Agreement; provided that the liability insurance required under this Section 4.1 does not need to be kept in full force or effect after Closing or after the expiration or termination of this Agreement, whichever is earliest.

#### 4.2. Examination of Title.

4.2.1 Within five (5) days of the Effective Date, Seller shall deliver to Buyer a preliminary title report or a commitment for an ALTA owner's policy of title insurance covering the Property (the "**Title Commitment**") issued by Title Company and showing record title of the Property and all liens, claims, encumbrances, easements, rights-of-way, encroachments, reservations, restrictions, and all other matters of record affecting the Property, together with legible copies of all such matters, including vesting and exception instruments, listed in the Title Commitment. Buyer may perform, at its discretion and at its sole cost and expense, a survey of the Property (the "**Survey**"). The Title Commitment and the Survey, if any, (together with any such update thereof) shall sometimes be referred to in this Agreement as the "**Title Evidence**".

4.2.2 Buyer shall have ten (10) days after receipt of the Title Commitment, legible copies of all vesting and exception documents listed in the Title Commitment and the Survey (the "**Title Review Period**") to object in writing to any liens, encumbrances, and other matters reflected by the Title Commitment or Survey. All such matters to which Buyer so objects shall be "**Objected Encumbrances.**" If no such objection notice is given during the Title Review Period, all matters reflected by the Title Commitment shall be "**Permitted Encumbrances.**" Seller may, but shall not be obligated to, at its cost, cure, remove or insure around all Objected Encumbrances, and Seller shall give Buyer written notice of its intent thereof within ten (10) days after the Title Review Period expires. Seller's failure to respond to Buyer's notice shall be deemed an election not to cause the removal of any Objected Encumbrances. If Seller does not elect to cause all of the Objected Encumbrances to be removed, cured or insured around, then Buyer may deliver notice to Seller within five (5) days after Seller's notice (or within five (5) days of the last day by which Seller's notice should have been received if Seller fails to respond to Buyer's notice) indicating Buyer's election to either (a) terminate this Agreement, in which event Ten and No/100 Dollars (\$10.00) of the Initial Deposit shall be disbursed to Seller as part of the consideration for the Buyer's grant of the Option, the balance of the Earnest Money shall be disbursed to Buyer, and the parties will have no further obligations under this Agreement; or (b) purchase the Property subject to the Objected Encumbrances in which event such Objected Encumbrances shall thereafter be Permitted Encumbrances. Buyer's failure to timely deliver notice pursuant to Section 4.2.2(a) or (b) shall be deemed Buyer's election to terminate this Agreement. Notwithstanding the foregoing, Seller shall remove from title on or prior to Closing each and every of the following exceptions whether or not Buyer raises such items in a title objection: (w) liens securing a deed of trust or other document or instrument evidencing indebtedness of Seller; (x) judgement liens against

Seller; (y) delinquent tax liens; and (z) mechanic and materialmen liens not created by or through Buyer.

4.2.3 If, at any time prior to the Closing, any new exceptions to title to the Property are identified by Title Company or appear on a survey of the Real Property, Buyer shall have until the date which is five (5) Business Days after its receipt of the supplement to the Title Commitment or survey (the “**New Exception Review Period**”) to object in writing to any such new title and survey exceptions. If no such objection notice is given during the New Exception Review Period, any matters reflected in the supplement to the Title Commitment or survey shall be Permitted Encumbrances. Seller may, but shall not be obligated to, at its cost, remove from title any new Objected Encumbrances, and Seller shall give Buyer written notice of its intent thereof within five (5) Business Days after the New Exception Review Period expires. If Seller does not elect in writing to cause any new Objected Encumbrances to be removed or does not timely respond to Buyer’s objection, then Buyer may deliver notice to Seller prior to the date which is twelve (12) Business Days after the New Exception Review Period expires indicating Buyer’s election to either (a) terminate this Agreement, in which event Ten and No/100 Dollars (\$10.00) of the Initial Deposit shall be disbursed to Seller as part of the consideration for the Buyer’s grant of the Option, the balance of the Earnest Money shall be disbursed to Buyer, and the parties will have no further obligations under this Agreement; or (b) purchase the Property subject to any new Objected Encumbrances in which event such new Objected Encumbrances shall thereafter be Permitted Encumbrances. Notwithstanding the foregoing, if Seller does not cause any Objected Encumbrances to be removed but the Title Company independently removes any such Objected Encumbrances, then they shall be deemed Permitted Encumbrances hereunder. Buyer’s failure to timely deliver notice pursuant to Section 4.2.3(a) or (b) shall be deemed Buyer’s election to terminate this Agreement.

4.3 New Matters. If, at any time between the Effective Date and Closing, any Hazardous Substances have been introduced on or under the Property in violation of law, Buyer shall have ten (10) Business Days after being given written notice thereof or otherwise becoming actually aware of the Hazardous Substances (the “Evaluation Period”) within which to evaluate the Hazardous Substances and elect, in the exercise of its sole and absolute discretion to either waive the condition and proceed to Closing or terminate this Agreement by written notice delivered to Seller, on or prior to the Closing Date. If Buyer so elects to terminate this Agreement, Ten and No/100 Dollars (\$10.00) of the Initial Deposit shall be disbursed to Seller as part of the consideration for the Buyer’s grant of the Option, and the balance of the Earnest Money shall be disbursed to Buyer. The Closing will be automatically extended if and as necessary to accommodate the review, objection and response times under Section 4.2.3 and this Section 4.3.

4.4. Governmental Approvals. Buyer may seek such permits, licenses, zoning, variances, subdivision, entitlements and development rights desired by Buyer for the development or use of the Property (collectively, the “**Governmental Approvals**”). Seller will reasonably cooperate with Buyer in connection with the Governmental Approvals, including executing such documents as are reasonably necessary to permit Buyer to submit application materials in connection with the Governmental Approvals. Notwithstanding the foregoing, (a) the Governmental Approvals will not be effective and will not result in



a change of zoning, or cause or create any liens or encumbrances against any portion of the Property, unless and until the Closing occurs, (b) the Governmental Approvals will not result in any liability or obligation whatsoever to Seller, and (c) Seller will not be obligated to incur any out-of-pocket expenses in connection with any of the Governmental Approvals.

4.5. Confidentiality. Unless and until the Closing occurs, Buyer agrees to not disclose the Title Evidence, the Reports, or the contents of any thereof, or any information disclosed, discovered or determined in connection with Buyer's investigations of the Property (collectively, the "**Confidential Information**") to any person or entity other than (a) Buyer's employees, board members, officers, directors, attorneys, accountants, surveyors, architects, contractors or other business consultants assisting Buyer in this transaction, third parties as required under applicable law, and Buyer's potential investors and lenders, (b) in response to lawful process or subpoena or order of a court of competent jurisdiction, and (c) in any filings with governmental authorities required by reason of the transactions provided for herein. Any such disclosure to third parties shall include a statement from Buyer that such information is confidential and shall be so treated by the third party, except for disclosures required by applicable law. If this Agreement is terminated or the Closing does not occur for any reason, Buyer shall promptly deliver to Seller or destroy all copies of the Confidential Information (including any provided to any third parties by or on behalf of Buyer), except where said delivery or destruction would conflict with Buyer's obligations under applicable law. Buyer's obligations under this Section 4.5 shall survive any termination of this Agreement.

## 5. Conditions Precedent.

5.1. Contingency Date. As used in this Agreement, the "**Contingency Date**" shall mean the earlier to occur of (a) the date Buyer gives the Preliminary Exercise Notice, and (b) the first business day occurring thirty (30) days after the Effective Date.

5.2. Buyer's Conditions. Buyer's obligations under this Agreement are contingent upon the satisfaction (or waiver by Buyer) of the following conditions precedent:

5.2.1 General Contingency. On or before the Contingency Date, Buyer shall have determined that it is satisfied with its review and analysis of the Permitted Exceptions, the Reports and the results and matters disclosed by Buyer's inspection of the Property (including all physical aspects and conditions of the Property, including the repair and condition of the Improvements, the environmental condition, soils, access and utility services with respect to the Property).

5.2.2 Title Policy. At the Closing, the Title Company shall be irrevocably committed to issue to Purchaser a 2006 ALTA Extended Owner's policy of title insurance in the amount of the Purchase Price subject only to Permitted Encumbrances (the "**Title Policy**").

5.2.3 Governmental Approvals. On or before the Contingency Date, Buyer shall have received or determined that it will receive the Governmental Approvals on a timely basis.

5.2.4 Seller's Representations. On the Closing Date, each of the representations and warranties of Seller in Section 7.2 shall be true and correct as if the same were made on the Closing Date.

5.2.5 Seller Default. On the Closing Date, Seller shall not be in default of any of its obligations under this Agreement.

5.2.6 Removal of ATM. On or prior to the Closing Date, Seller shall have removed the automated teller machine that is attached to the building located on the Property ("ATM") and secured the opening in the building resulting from the removal of the ATM with plywood that covers the entirety of such opening and is placed in and secured from the inside of the building located on the Property.

If any conditions in this Section 5.2 have not been satisfied on or before the applicable date set forth in this Section 5.2 with respect to each condition, then Buyer may terminate this Agreement by notice to Seller on or before the applicable date (subject to Section 15), and Ten and No/100 Dollars (\$10.00) of the Initial Deposit shall be disbursed to Seller as part of the consideration for the Buyer's grant of the Option, and the balance of the Earnest Money shall be disbursed to Buyer. To the extent that any of the conditions in this Section 5.2 require the satisfaction of Buyer, such satisfaction shall be determined by Buyer in its sole but reasonable discretion. The conditions in this Section 5.2 are specifically stated and for the sole benefit of Buyer. Buyer in its discretion may unilaterally waive (conditionally or absolutely) the fulfillment of any one or more of the conditions, or any part thereof, by notice to Seller. If Buyer fails to timely terminate this Agreement on or before the applicable date, then the applicable condition shall be deemed to be satisfied and waived by Buyer. Notwithstanding the foregoing, if Seller fails to timely complete removal of the ATM, then, in addition to the foregoing options, Buyer may unilaterally extend the Closing Date to allow Seller additional time to complete such removal.

5.3. Seller's Conditions. Seller's obligation to close the transaction contemplated by this Agreement is contingent upon the satisfaction (or waiver by Seller) of the following conditions precedent:

5.3.1 Buyer's Representations. On the Closing Date, each of the representations and warranties of Buyer in Section 7.1 shall be true and correct in all material respects as if the same were made on the Closing Date.

5.3.2 Buyer Default. On the Closing Date, Buyer shall not be in material breach of any of its obligations under this Agreement.

5.3.3 Preliminary Exercise Notice. On or before the Contingency Date, Buyer shall have delivered the Preliminary Exercise Notice in the form and manner set forth in Section 6.1.

If any conditions in this Section 5.3 have not been satisfied on or before the applicable date set forth in this Section 5.3 with respect to each condition, then Seller may terminate this Agreement by notice to Buyer on or before the applicable date (subject to Section 15), and, subject to Section 5.2 the Earnest Money shall be disbursed to Seller. To the extent that any of the conditions in this Section 5.3 require the satisfaction of Seller, such satisfaction shall be determined by Seller in its sole but reasonable discretion. The conditions in this Section 5.3 are specifically stated and for the sole benefit of Seller. Seller in its discretion may unilaterally waive (conditionally or absolutely) the fulfillment of any one or more of the conditions, or any part thereof, by notice to Buyer. If Seller fails to timely terminate this Agreement on or before the applicable date, then the applicable condition shall be deemed to be satisfied and waived by Seller.

6. Exercise of Option; Closing.

6.1 Preliminary Exercise Notice; Closing. At any time during the Option Term, Buyer may give one (1) written notice (the “**Preliminary Exercise Notice**”) to Seller that Buyer intends to exercise the Option. The Preliminary Exercise Notice shall specify a date during the Option Term (the “**Closing Date**”) no sooner than ten (10) business days from the date of the Preliminary Exercise Notice and no later than the expiration of the Option Term, for the formal exercise of the Option in accordance with the terms hereof (the “**Closing**”). The Closing will occur through the deposit of documents, deliveries and funds into an escrow established with Title Company pursuant to Seller’s and Buyer’s respective closing instructions to Title Company, which instructions shall be consistent with the terms of this Agreement. Possession of the Property will be delivered to Buyer on the Closing Date, subject to the Permitted Encumbrances.

6.2. Exercise Notice. Provided that Buyer has given the Preliminary Exercise Notice in accordance with Section 6.1, the Option may be exercised at any time on or before the Closing Date by Buyer (a) paying to Title Company the Purchase Price less the Earnest Money paid (such balance of the Purchase Price, the “**Exercise Payment**”), by wire transfer of immediately available funds, (b) giving Seller a written notice (the “**Exercise Notice**”) of its election to do so, and (c) delivering to Title Company all of the instruments and other deliveries required pursuant to Section 6.4 with no condition to such delivery to Title Company except those expressly specified in this Agreement. Buyer’s failure to satisfy conditions (a), (b) and (c) set forth in the preceding sentence shall render Buyer’s attempted exercise of the Option null and void.

6.3. Seller’s Closing Deliveries. No later than the Closing Date, Seller shall deliver or cause to be delivered into escrow with Title Company the following, properly completed and duly executed by Seller and notarized where applicable, and in commercially reasonable form (collectively, “**Seller’s Closing Deliveries**”):

6.3.1 Deed. A quitclaim deed conveying the Property to Buyer, unless a different form of deed is required by the Title Company to issue the Title Policy to Buyer, then the deed form required by the Title Company, subject only to the Permitted Encumbrances (the “**Deed**”).

6.3.2 Seller's Affidavit. An affidavit of Seller regarding liens judgments, parties in possession, mechanics' or materialmen's liens and other matters affecting title to the Property which are caused by Seller, and which is otherwise consistent with the "as is" nature of this transaction and a quit claim conveyance of the Property, but in any event sufficient for the Title Company to issue the Title Policy to Buyer.

6.3.3 FIRPTA. A transferor's certification stating that Seller is not a "foreign person", "foreign partnership", "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code, and containing such additional information as may be required thereunder.

6.3.4 Restrictive Covenant. A Restrictive Covenant in the form attached hereto as Exhibit B.

6.3.5 Miscellaneous. Any customary closing documents in commercially reasonable form and substance and consistent with this Agreement which (a) Title Company may reasonably determine are necessary to evidence the authority of Seller to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Seller pursuant to this Agreement, or (b) may be required of Seller under applicable law, including any revenue or tax certificates or statements.

6.3.6 Settlement Statement. A settlement statement consistent with this Agreement.

6.4. Buyer's Closing Deliveries. No later than the Closing Date, Buyer shall deliver or cause to be delivered into escrow with Title Company, in addition to any other items required by this Agreement, the following, properly completed and duly signed by Buyer and notarized where applicable, and in commercially reasonable form (collectively, "**Buyer's Closing Deliveries**"):

6.4.1 Purchase Price. The balance of the Purchase Price by wire transfer of immediately available funds.

6.4.2 Miscellaneous. Any customary closing documents in commercially reasonable form and substance and consistent with this Agreement which (i) Title Company may reasonably determine are necessary to evidence the authority of Buyer to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Buyer pursuant to this Agreement, or (ii) may be required of Buyer under applicable law, including any revenue or tax certificates or statements.

6.4.3 Settlement Statement. A settlement statement consistent with this Agreement.

6.5. Adjustments and Prorations. The following adjustments will be made to the Purchase Price at Closing:

6.5.1 Real Estate Taxes. General real estate taxes applicable to any of the Property due and payable in the year of Closing shall be prorated between Seller and Buyer on a daily basis as of the Closing Date based upon a calendar year, with Seller being responsible for those allocable to the period prior to the Closing Date and Buyer being responsible for those allocable to the Closing Date and subsequent thereto. If there is any tax refund or rebate related to the year of Closing, the refund or rebate (after deducting the fees and other costs attributable to such refund or rebate) will be allocated between Seller and Buyer on the same basis as proration of taxes under this Section 6.5.1.

6.5.2 Assessments. All special assessments (and charges in the nature of or in lieu of such assessments) levied or constituting a lien with respect to any of the Property payable in the year of Closing shall be prorated between Seller and Buyer on a daily basis as of the Closing Date based upon a calendar year, with Seller being responsible for those installments and applicable portions thereof allocable to the period prior to the Closing Date and Buyer being responsible for all installments and applicable portions thereof allocable to the Closing Date and subsequent thereto. Buyer shall be responsible for special assessments first levied after the Effective Date.

6.5.3 Title Costs. Seller will pay the basic premium for an ALTA owner's policy of title insurance issued to Buyer with an insured amount not in excess of the Purchase Price. Buyer will pay all costs of and premiums for any title insurance policy it desires with respect to the Property in excess of such basic premium, including the costs of any endorsements and extended coverages. Buyer will pay all costs for any Survey. Buyer will pay all premiums for any loan policies of title insurance. Seller and Buyer will each pay one-half of any Closing fee payable to Title Company acting as escrow agent in connection with this transaction.

6.5.4 Recording Costs. Seller will pay the cost of recording the Deed, and any other documents to be recorded in connection with the Closing (other than costs to record documents to remove encumbrances from the Property that are not Permitted Encumbrances, which shall be paid by Seller).

6.5.5 Transfer Taxes. Seller will pay any state deed or transfer tax imposed in connection with the recording of the Deed. Buyer will pay any mortgage registry tax regarding any mortgage given by Buyer on the Property in connection with this transaction.

6.5.6 Operating Expenses. Seller will pay all utility and other operating expenses of the Property relating to the period prior to the Closing Date, and Buyer will pay all expenses of the Property relating to the period from and after the Closing Date. Seller agrees to have all meters with respect to any such utilities read as of the Closing Date.

6.5.7 Other Closing Costs. All other Closing costs will be allocated between Seller and Buyer in accordance with the customary practice for

commercial real estate transactions in county and state where the Property is located.

6.5.8 Closing Proration and Reconciliation. All items of income and expense attributable to the Property shall be prorated as of the Closing Date. Escrow Agent shall prepare a settlement statement showing such proration, and all Closing costs. If any of the aforesaid proration cannot be definitively calculated on the Closing Date, then they shall be estimated at the Closing and definitively calculated after the Closing Date as soon as feasible. As soon as the necessary information is available (but in no event more than ninety (90) days after the Closing), Buyer and Seller shall conduct a post-Closing review to determine the accuracy of all proration. Either Party owing the other Party a sum of money based on such subsequent proration(s) or post-Closing review shall pay said sum to the other Party within thirty (30) days of delivery of a written demand therefor, together with documentation to support such demand. The provisions of this Section related to post-Closing adjustment of proration shall survive the Closing.

6.6. Strict Adherence. Each of the requirements set forth in this Agreement with respect to the Earnest Money, the Option Term, the exercise of the Option and Closing have been fully negotiated and agreed to, and strict adherence to such requirements is a condition of this Agreement and shall be the sole responsibility of Buyer.

7. Representations and Warranties.

7.1. Representations and Warranties by Buyer. Buyer represents and warrants to Seller that:

7.1.1 Authority. Buyer is an urban renewal agency of the City of Springfield, a municipal corporation of the state of Oregon. Buyer has or will have prior to Closing the requisite power and authority to enter into and perform this Agreement and the documents to be executed by Buyer in connection with this transaction. This Agreement and such documents have been or will be duly authorized by all necessary action on the part of Buyer and have been or will be duly executed and delivered on the part of Buyer. The execution, delivery and performance by Buyer of this Agreement and such documents does not conflict with or result in a violation of Buyer's organizational documents or any agreement, judgment, order, or decree of any court or arbiter to which Buyer is a party or is subject.

7.1.2 Prohibited Persons and Transactions. Neither Buyer nor any of its affiliates is, nor will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other governmental action and does not, to its

actual knowledge, engage in any dealings or transactions or be otherwise associated with such persons or entities.

### 7.1.3 Related Parties.

7.1.3.1 Buyer is not (i) an executive officer, director or Principal Shareholder of Seller, U.S. Bancorp or any subsidiary of either entity or (ii) a Company that is Controlled by any person or entity described in (i).

7.1.3.2 “Principal Shareholder” means any person or entity that directly or indirectly, or acting through or in concert with one or more persons, owns, controls, or has the power to vote more than 10 percent of any class of voting securities of Seller, U.S. Bancorp or any subsidiary of either entity.

7.1.3.3 “Company” means any corporation, partnership, business or other trust, association, joint venture, pool syndicate, sole proprietorship, unincorporated organization, or other business entity.

7.1.3.4 “Control” means directly or indirectly, or acting through or in concert with one or more persons (i) owning, controlling, or having the power to vote 25% or more of any class of a Company’s voting securities; (ii) controlling in any manner the election of a majority of a Company’s directors; or (iii) having the power to exercise a controlling influence over a Company’s management or policies.

7.2. Representations and Warranties by Seller. Seller represents and warrants to Buyer that:

7.2.1 Authority. Seller is a national banking association. Seller has the requisite power and authority to enter into and perform this Agreement and the documents to be executed by Seller in connection with this transaction. This Agreement and such documents have been or will be duly authorized by all necessary action on the part of Seller and have been or will be duly executed and delivered on the part of Seller. The execution, delivery and performance by Seller of this Agreement and such documents does not conflict with or result in a violation of Seller’s organizational documents or any agreement, judgment, order, or decree of any court or arbiter to which Seller is a party or is subject. Seller has not entered into any purchase agreements, contracts for deed, rights of first refusal, options or the like whereby someone other than Buyer has a right to acquire all or any part of the Property, and to the actual knowledge of Seller, other than parties with condemning authority under applicable law, no person, firm or entity has any right to acquire the Property or any rights or estates in and to the Property or any portion thereof.

7.2.2 Bankruptcy. Seller has not (a) commenced a voluntary case, or to Seller’s knowledge, had entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state

law or statute relative to bankruptcy, insolvency or other relief for debtors, (b) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator, or similar official in any federal, state, or foreign judicial or non-judicial proceeding, to hold, administer and/or liquidate all or substantially all of its assets, or (c) made an assignment for the benefit of creditors.

7.2.3 Contracts. Except as shown on the Title Report, there are no contracts or leases entered into by Seller, that will be binding on Buyer or the Property after Closing.

7.2.4 Prohibited Persons and Transactions. Neither Seller nor any of its affiliates is, nor will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under OFAC regulations (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other governmental action and does not, to its actual knowledge, engage in any dealings or transactions or be otherwise associated with such persons or entities.

7.2.5 FIRPTA. Seller is not a "foreign person", "foreign partnership", "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code.

7.2.6 Litigation. To the actual knowledge of the Seller, there is no litigation pending or threatened against the Property, or against Seller in a manner that would affect Seller's ability to perform its obligations under this Agreement.

The "**actual knowledge of the Seller**" and similar terms mean the actual, present consciousness of Richard Varriano, without any duty of inquiry or investigation. If Buyer proceeds to Closing notwithstanding Buyer's knowledge of any breach or untruth of any representation or warranty by Seller, Buyer is deemed to have waived the breach or untruth at Closing. All representations and warranties of Seller set forth in this Section 7.2 above shall survive Closing for a period of twelve (12) months.

7.3 Notification of Changes. If, prior to Closing, Seller becomes aware of any matters which make any of its representations or warranties untrue, which Seller shall disclose to Buyer in writing, or in the event that Buyer otherwise becomes actually aware prior to Closing of any matters which make any of Seller's representations or warranties untrue, then Buyer's sole right and remedy with respect to any such matters shall be to elect in writing delivered to Seller on or before the Closing Date, (i) to waive such matters and complete the purchase of the Property in accordance with the terms of this Agreement, or (ii) as to any matters disclosed following the Contingency Date, to terminate this Agreement, in which event Ten and No/100 Dollars (\$10.00) of the Initial Deposit shall be disbursed to Seller as part of the consideration for the Buyer's grant of the Option, and the balance of the Earnest Money shall be disbursed to Buyer and the parties will have no



further obligations under this Agreement. Notwithstanding anything in this Section to the contrary, the foregoing procedure with respect to a breach of representation or warranty shall not be applicable to the intentional breach by Seller of any of its obligations hereunder or a breach of a representation or warranty by Seller, it being understood that the remedy for such a breach by Seller shall be in accordance with Section 13.1 (Default by Seller) hereof. This Section shall survive Closing.

8. Sale "As Is".

8.1. Buyer's Obligations. SUBJECT TO THE TERMS OF THIS AGREEMENT, BUYER WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY (INCLUDING ITS PHYSICAL AND ENVIRONMENTAL CONDITION) AS IT DEEMS NECESSARY TO PROCEED WITH THE CLOSING AND THIS TRANSACTION, AND ASSUMES THE RISK THAT ADVERSE MATTERS, INCLUDING THE DISCLAIMED MATTERS (AS DEFINED IN SECTION 8.2), MAY NOT HAVE BEEN REVEALED BY BUYER'S INSPECTIONS AND INVESTIGATIONS. SUCH INSPECTIONS AND INVESTIGATIONS OF BUYER WILL BE DEEMED TO INCLUDE AN ENVIRONMENTAL AUDIT OF THE PROPERTY, AN INSPECTION OF THE PHYSICAL COMPONENTS AND GENERAL CONDITION OF ALL PORTIONS OF THE PROPERTY, SUCH STATE OF FACTS AS AN ACCURATE SURVEY AND INSPECTION OF THE PROPERTY WOULD SHOW, PRESENT AND FUTURE ZONING AND LAND USE ORDINANCES, RESOLUTIONS AND REGULATIONS OF THE CITY, COUNTY AND STATE WHERE THE PROPERTY IS LOCATED AND THE VALUE AND MARKETABILITY OF THE PROPERTY.

8.2. Disclaimers. BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT AND IN ANY CLOSING DOCUMENTS, (A) BUYER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF SELLER IN CONNECTION WITH THE PROPERTY OR THIS TRANSACTION, (B) SELLER WILL SELL AND CONVEY TO BUYER, AND BUYER WILL ACCEPT THE PROPERTY "AS IS", "WHERE IS", AND "WITH ALL FAULTS" ON THE CLOSING DATE, AND THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE PROPERTY BY SELLER OR ANY THIRD PARTY, AND (C) SELLER DOES NOT, BY THE EXECUTION AND DELIVERY OF THIS AGREEMENT, AND SELLER WILL NOT, BY THE EXECUTION AND DELIVERY OF ANY DOCUMENT OR INSTRUMENT EXECUTED AND DELIVERED IN CONNECTION WITH CLOSING, MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE WHATSOEVER, WITH RESPECT TO THE PROPERTY AND ALL SUCH WARRANTIES ARE HEREBY DISCLAIMED. WITHOUT LIMITING THE GENERALITY OF THE PROVISIONS OF THIS SECTION 8.2, BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT AND IN ANY CLOSING DOCUMENTS, SELLER MAKES, AND WILL MAKE, NO EXPRESS OR IMPLIED WARRANTY AS

TO (I) MATTERS OF TITLE, (II) ZONING, (III) TAX CONSEQUENCES, (IV) PHYSICAL OR ENVIRONMENTAL CONDITION (INCLUDING LAWS, RULES, REGULATIONS, ORDERS AND REQUIREMENTS PERTAINING TO THE USE, HANDLING, GENERATION, TREATMENT, STORAGE OR DISPOSAL OF ANY TOXIC OR HAZARDOUS WASTE OR TOXIC, HAZARDOUS OR REGULATED SUBSTANCE, AND FURTHER INCLUDING THE COMPREHENSIVE ENVIRONMENTAL RESPONSE AND COMPENSATION AND LIABILITY ACT, THE RESOURCE CONSERVATION AND RECOVERY ACT, THE CLEAN WATER ACT, THE SOLID WASTE DISPOSAL ACT, THE FEDERAL WATER POLLUTION CONTROL ACT, THE OIL POLLUTION ACT, THE FEDERAL CLEAN AIR ACT, THE FEDERAL INSECTICIDE, FUNGICIDE AND RODENTICIDE ACT, EACH AS MAY BE AMENDED FROM TIME TO TIME, AND INCLUDING ANY AND ALL REGULATIONS, RULES OR POLICIES PROMULGATED THEREUNDER AND ALL APPLICABLE LOCAL LAWS, ORDINANCES, AND REGULATIONS, (V) VALUATION, (VI) GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS, ENTITLEMENT STATUS OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PROPERTY, (VII) THE USE, INCOME POTENTIAL, EXPENSES, OCCUPANCY STATUS, OPERATION OR CHARACTERISTICS OF THE PROPERTY OR ANY PORTION OF THE PROPERTY, INCLUDING WARRANTIES OF SUITABILITY, HABITABILITY, MERCHANTABILITY, DESIGN OR FITNESS FOR ANY SPECIFIC PURPOSE OR FOR A PARTICULAR PURPOSE, OR GOOD OR WORKMANLIKE CONSTRUCTION, (VIII) THE NATURE, MANNER, CONSTRUCTION, CONDITION, STATE OF REPAIR OR LACK OF REPAIR OF ANY OF THE BUILDINGS, STRUCTURES OR IMPROVEMENTS, ON OR UNDER THE SURFACE, WHETHER OR NOT LATENT, OBVIOUS, VISIBLE OR APPARENT, (IX) THE NATURE OR QUALITY OF CONSTRUCTION, STRUCTURAL DESIGN OR ENGINEERING OF THE PROPERTY, (X) THE SOIL CONDITIONS, DRAINAGE, FLOODING GEOTECHNICAL AND SEISMIC CHARACTERISTICS, ACCESS, UTILITIES OR OTHER CONDITIONS EXISTING IN, ON OR UNDER THE PROPERTY, (XI) THE PRESENCE OR EXISTENCE OF MOLD OR OTHER ORGANISMS, LEAD BASED PAINT OR WATER PENETRATION IN OR ABOUT THE BUILDINGS, STRUCTURES OR IMPROVEMENTS, OR (XII) ANY OTHER STATE OF FACTS THAT EXISTS WITH RESPECT TO ANY OF THE PROPERTY (COLLECTIVELY, “**DISCLAIMED MATTERS**”),

8.3. Waiver and Release. EXCEPT WITH RESPECT TO THE EXPRESS AGREEMENTS, REPRESENTATIONS, WARRANTIES AND OBLIGATIONS OF SELLER UNDER THIS AGREEMENT AND IN ANY CLOSING DOCUMENTS, BUYER AND ANYONE CLAIMING BY, THROUGH OR UNDER BUYER HEREBY FULLY AND IRREVOCABLY WAIVES AND RELEASES SELLER AND EACH OF ITS SHAREHOLDERS, EMPLOYEES, OFFICERS, MANAGERS, REPRESENTATIVES, AGENTS, SUCCESSORS AND ASSIGNS (EACH, A “**RELEASED PARTY**”) FROM ANY AND ALL CLAIMS (OTHER THAN FRAUD AND INTENTIONAL MISREPRESENTATION OR BREACH OF WARRANTY) THAT IT MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST ANY RELEASED PARTY FOR AND AGAINST ANY AND ALL ANY LIABILITIES,

WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, ARISING FROM OR RELATED TO ANY OF THE PROPERTY, INCLUDING ANY OF THE DISCLAIMED MATTERS.

8.4. Limitation of Seller's Liability. SUBJECT TO SECTION 13 BELOW, ANY PARTY SEEKING TO ENFORCE ANY DUTY, OBLIGATION, LIABILITY OR RESPONSIBILITY OF SELLER ARISING UNDER THIS AGREEMENT WILL RELY ON AND LOOK SOLELY TO THE PROPERTY AND ANY INCOME OR PROCEEDS FROM THE PROPERTY. SELLER WILL HAVE NO LIABILITY FOR THE PERFORMANCE OF ANY DUTIES OR OBLIGATIONS OF SELLER UNDER THIS AGREEMENT BEYOND ITS INTEREST IN THE PROPERTY AND ITS PROCEEDS. BUYER WILL NOT SEEK TO ENFORCE ANY CLAIM OR JUDGMENT OBTAINED BY BUYER AGAINST SELLER AGAINST ANY PROPERTY OF SELLER OTHER THAN ITS INTEREST IN THE PROPERTY AND ITS PROCEEDS, AND BUYER WILL LOOK SOLELY TO, AND RELY SOLELY ON, THAT INTEREST AND THOSE PROCEEDS FOR ENFORCEMENT AND SATISFACTION OF ANY CLAIM OR JUDGMENT. BUYER AGREES THAT THE DIRECTORS, OFFICERS, PARTNERS, MEMBERS, OWNERS AND EMPLOYEES OF SELLER HAVE NO PERSONAL LIABILITY UNDER THIS AGREEMENT, AND BUYER WAIVES ITS RIGHT TO SUE ANY OF THEM PERSONALLY OR INDIVIDUALLY.

9. Executory Period. After the Effective Date until the date of Closing or earlier termination of this Agreement (the "**Executory Period**"), Seller shall (a) operate and manage the Property in a manner generally consistent with the manner in which Seller has operated and managed the Property prior to the Effective Date, (b) maintain the Property in good condition, repair and working order consistent with Seller's past practices, (c) perform when due, and otherwise comply with, all of Seller's obligations and duties under the Contracts, if any, and (d) maintain commercially reasonable policies of liability and casualty insurance in place that cover Seller and the Real Property, as applicable.

10. Destruction, Damage, or Taking Before Closing. If, before Closing, all or any part of the Property is damaged or destroyed, or becomes subject to condemnation or eminent domain proceedings, then Seller shall promptly notify Buyer thereof in writing, and Buyer shall have ten (10) business days from receipt of such written notice to elect whether to (a) terminate this Agreement, in which event Ten and No/100 Dollars (\$10.00) of the Initial Deposit shall be disbursed to Seller and as part of the consideration for the Buyer's grant of the Option, and the balance of the Earnest Money shall be disbursed to Buyer and the parties will have no further obligations under this Agreement, or (b) proceed to Closing pursuant to the terms of this Agreement, in which event Seller shall assign to Buyer all of Seller's right to any proceeds from insurance or any condemnation award in respect of such damage or condemnation.

11. Intentionally Omitted.

12. Assignment; Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto and their respective successor and assigns. No rights, privileges or immunities of either Seller or Buyer under this Agreement shall inure to the benefit of any third-party, nor shall any third-party be deemed to be a beneficiary of any of the provisions

contained in this Agreement. Buyer may not fully or partially assign or transfer this Agreement or any interest therein in any manner whatsoever without Seller's prior written consent, which may be given, conditioned or withheld in Seller's sole and absolute discretion. Notwithstanding the foregoing, Seller's consent shall not be required for an assignment by Buyer of all of Buyer's rights and obligations under this Agreement to (a) any parent, subsidiary or other affiliate of Buyer, or (b) to any person or entity which succeeds to the business of Buyer as a result of any reorganization, joint venture, merger or consolidation of Buyer, or (c) to any entity the day-to-day management of which is controlled by Buyer through voting rights, ownership or contractual management rights. Buyer must give Seller not less than ten (10) business days' prior notice of any proposed assignment of this Agreement (even if permitted under this Section 12); which notice shall be accompanied by a copy of the assignment (and an assumption of this Agreement) and documents evidencing the formation, ownership, good standing (if applicable) and authority of the assignee to assume and perform the Buyer's obligations under this Agreement. No assignment or transfer of Buyer's rights or obligations under the Agreement (even if permitted under this Section 12 or consented to by Seller) shall operate to modify or relieve Buyer of its obligations under the Agreement.

### 13. Default and Remedies.

13.1. Default By Seller. If Seller defaults under this Agreement and such default continues for ten (10) days following notice from Buyer to Seller specifying the default (provided that no notice or cure period shall be required with respect to any default of any obligations to be performed at Closing), Buyer may exercise one of the following as its sole, exclusive and mutually-exclusive remedies, either (a) terminate this Agreement by giving written notice to Seller, in which event Buyer shall be entitled to immediate refund of the Initial Deposit and to reimbursement of its out-of-pocket third-party costs incurred in connection with the Agreement in an amount not to exceed \$50,000.00, or (b) seek specific performance of this Agreement. If Buyer proceeds to Closing notwithstanding any defaults by Seller, Buyer shall be deemed to have waived such defaults. Nothing in this Section shall limit Buyer's rights to indemnity or other remedies if the remedy of specific performance is not available to Buyer (e.g., if Seller conveys the Property to a third party in breach of this Agreement).

Notwithstanding the foregoing, if, following Closing, it is determined that Seller is in default of any of its representations and warranties in Section 7.2 (including any updates under Section 7.3) (collectively and together with any and all representations and warranties contained in closing documents delivered by Seller to Buyer at Closing (a "**Seller Post-Closing Breach**")) for which Buyer (i) did not have actual knowledge of prior to Closing and (ii) files a claim prior to expiration of the Survival Period, then Buyer may, as its sole and exclusive remedy, recover the actual out of pocket damages it suffers as a direct result of such default or breach by Seller up to \$500,000.00.

13.2. Default By Buyer. If Buyer defaults under this Agreement and such default continues for ten (10) days following notice from Seller to Buyer specifying the default (provided that no notice or cure period shall be required with respect to any default of any obligations to be performed at Closing), Seller may terminate this Agreement by giving written notice to Buyer, and if such default occurs after the Contingency Date, Seller shall

be entitled to immediate payment of the Earnest Money as liquidated damages (Seller and Buyer each hereby agreeing that determining Seller's actual damages would be difficult, and the Earnest Money is a reasonable estimate of Seller's damages). If Seller proceeds to Closing notwithstanding any defaults by Buyer, Seller shall be deemed to have waived such defaults. Notwithstanding the foregoing, Seller may enforce any provisions of this Agreement which survive Closing, and Seller may recover from Buyer its reasonable fees and costs of enforcing those provisions.

13.3. Nature of Remedies. Seller's and Buyer's respective remedies as set forth in this Section 13 are their sole and exclusive remedies, except with respect their respective obligations that expressly survive Closing or termination under this Agreement. Seller and Buyer each hereby waive any right to sue the other or recover any costs or other damages whatsoever except as expressly provided in this Section 13 (except with respect to obligations that expressly survive Closing or termination as provided under this Agreement).

13.4. Limitations Period on Suits and Proceedings. If either Seller or Buyer is entitled to commence any action or other proceeding to seek specific performance of this Agreement, or to recover any fees, costs or other amounts expressly recoverable under this Section 13, the applicable party must do so within sixty (60) days after the earlier of (a) the date that party obtains actual knowledge of the defaulting party's default, or (b) the date of termination of this Agreement, or such party shall be deemed to have irrevocably waived the related claims and shall be barred from asserting the related claims.

13.5. Attorney's Fees. Each of the parties will pay its own attorney's fees with respect to this Agreement and this transaction, except that a party defaulting under this Agreement or any closing document will pay the reasonable attorneys' fees and court costs at trial and on any appeal incurred by the non-defaulting party to enforce its rights regarding such default.

14. Notices. Any notice required or permitted to be given by this Agreement will be in writing and will be given by nationally recognized overnight courier (with delivery charges prepaid), or by certified or registered mail, return receipt requested, postage prepaid. Notices so given shall be deemed received when actually received or when delivery is confirmed or refused. Notices may also be given by e-mail, and will be effective at the time of sending at the e-mail address specified below by 5:00 p.m. Pacific Time on a business day (and otherwise as of the next business day), provided the notice-giving party also sends notice by one of the physical methods permitted above on the same date as sending the e-mail, time being of the essence. Any notice required to be given under this Agreement shall be addressed as follows:

Seller:	U.S. Bank National Association 800 Nicollet Mall, 15 <sup>th</sup> Floor BC-MN-H15F Minneapolis, MN 55402 Attn: Corporate Real Estate Email: richard.varriano@usbank.com
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with a copy to: U.S. Bank National Association  
800 Nicollet Mall, 21<sup>st</sup> Floor  
BC-MN-H21N  
Minneapolis, MN 55402  
Attn: Corporate Counsel, Corporate Real Estate  
Email: neil.davis@usbank.com

Buyer: Springfield Economic Development Agency  
Attn: Allie Camp, SEDA Liaison  
225 5<sup>th</sup> Street  
Springfield, Oregon  
Phone: 541-726-3688  
Email: [acamp@springfield-or.gov](mailto:acamp@springfield-or.gov)

with a copy to: Radler White Parks & Alexander LLP  
111 SW Columbia Street, Suite 700  
Portland, OR 97201  
Attn: Dina Alexander  
Email: dalexander@radlerwhite.com

Any party may, by notice to the others, specify a different address for notice purposes.

15. Termination. If this Agreement is terminated pursuant to the terms hereof, then (a) the respective rights of Buyer and Seller arising out of this Agreement shall immediately cease with the exception of obligations that expressly survive termination under this Agreement, and (b) within ten (10) days after such termination notice, Buyer shall (i) deliver to Seller a true, correct, complete and legible copy of the Reports, if any, to the extent not previously delivered to Seller, and if and only if Seller first reimburses Buyer for an amount equal to the actual cost of such Reports, and (ii) if this Agreement or a memorandum of this Agreement is recorded, execute, acknowledge, and deliver to Seller a quit claim deed with respect to the Property in order to remove any cloud of this Agreement from Property (provided that the failure to give such deed or termination shall not affect the termination of this Agreement). Buyer's obligations under this Section 15 shall survive termination of this Agreement, and Seller may recover from Buyer its reasonable legal fees and costs of enforcing the provisions of this Section 15 if Buyer does not comply with the terms hereof.

16. Tax Deferred Exchange. Seller and/or Buyer may elect to dispose of or acquire (as the case may be) any of the Real Property in connection with the completion of a tax-deferred exchange under Section 1031 of the Internal Revenue Code of 1986, as amended, at no cost to the non-exchanging party. Each party agrees to take such steps as the other may reasonably require in order to complete such tax-deferred exchange, including accepting payment of all or a portion of the Purchase Price from a third party.

17. Brokers. Seller and Buyer each represents and warrants to the other that it has not retained or dealt with any broker entitled to a commission or other fee in connection with this transaction except for Cushman & Wakefield, which is acting as Seller's agent ("**Broker**"). If the Closing occurs, Seller will pay a commission to Broker in accordance with a separate agreement

with Broker. Seller and Buyer shall indemnify, defend (with counsel reasonably acceptable to the indemnified party) and hold the other party harmless against all claims (and any related liabilities) made by any person other than Broker alleging to have represented or assisted the indemnifying party and to thereby be owed a commission or fee in connection with the signing or consummation of this Agreement. The indemnity obligations under this Section 17 shall survive Closing or any termination of this Agreement.

18. No Liens. Buyer may not record this Agreement or any memorandum of this Agreement against the title to the Property or in other public records. Buyer may not record a lien, notice of lis pendens or other instrument against the title to the Property except in connection with a timely- and properly-filed specific performance action permitted under this Agreement, and Buyer waives any other right to do so at law or in equity. This Agreement is not, and does not convey, any interest in or lien against the Property.

19. Waiver of Jury Trial. SELLER AND BUYER EACH IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS TRANSACTION.

20. Miscellaneous. This Agreement may be signed in counterparts and evidenced by facsimile, PDF format or similarly-imaged pages. Buyer and Seller each acknowledge and agree that it has had an opportunity to receive the advice of such counsel and other advisors as it desires before entering into this Agreement. Time is of the essence of this Agreement. This Agreement will be governed by and construed under and in accordance with the laws of the state where the Property is located. This Agreement contains the entire agreement between the parties hereto with respect to this transaction, supersedes any prior oral negotiations or agreements. Subject to Section 12, this Agreement is binding upon the parties hereto and their respective legal representatives, successors and permitted assigns. No amendment, modification or waiver of the provisions of this Agreement will be effective unless it is in writing and signed by the party against whom it is to be enforced. All decisions requiring the “approval” or “agreement” of any party hereto shall be made in writing by the applicable party. If any part of this Agreement is held to be illegal, invalid or unenforceable, the remainder of this Agreement will be unaffected and continue in full force and effect. Seller’s preparation of this Agreement and submission of this Agreement for the review or execution by any party is not an offer by Seller to sell the Property, and this Agreement is not binding upon Seller or Buyer until it has been signed by Seller and Buyer. The section headings and other captions are for ease of reference only, and are not otherwise part of this Agreement. Any reference to a section of this Agreement includes its subsections and parts.

21. Rules of Construction. In interpreting this Agreement, the following rules of construction shall be used.

21.1. Construction. The rule of strict construction shall not apply to this Agreement. This Agreement shall not be interpreted in favor of or against either Buyer or Seller merely because of their respective efforts in preparing it.

21.2. Captions, Gender, Number, and Language of Inclusion. The article and section headings in this Agreement are for convenience of reference only and shall not define, limit or prescribe the scope or intent of any term of this Agreement. As used in this

Agreement, the singular shall include the plural and vice versa, the masculine, feminine, and neuter adjectives shall include one another, and the following words and phrases shall have the following meanings: (a) “**including**” shall mean “including but not limited to”; (b) “**terms**” shall mean “terms, provisions, duties, covenants, conditions, representations, warranties, and indemnities”; (c) “**any of the Property**” or “**any of the Property**” shall mean “the Property or any part thereof or interest therein” or “the Property or any part thereof or interest therein”, as the case may be; (d) “**rights**” shall mean “rights, duties, and obligations”; (e) “**liabilities**” shall mean “liabilities, obligations, damages, fines, penalties, claims, demands, costs, losses, charges, liens, judgments, actions, causes of action, and expenses, including reasonable attorneys’ fees”; (f) “**incurred by**” shall mean “imposed upon or suffered or incurred or paid by or asserted against”; (g) “**applicable law**” shall mean “all applicable federal, state, county, municipal, local, or other laws, statutes, codes, ordinances, rules, and regulations”; (h) “**about the Property**” or “**about the Property**” shall mean “in, on, under, or about the Property” or “in, on, under, or about the Property”, as the case may be; (i) “**operation**” shall mean “use, non-use, possession, occupancy, condition, operation, maintenance, or management”; (j) “**this transaction**” shall mean “the purchase, sale, and related transactions contemplated by this Agreement”; and (k) “**shall**” means mandatory and imperative.

21.3. Time Periods. Any reference in this Agreement to the time for performance of obligations or elapsed time shall mean consecutive days, months or years, as applicable. In the event the time for performance of any obligation hereunder expires on the day that is not a business day, the time for performance shall be extended to the next business day. A “**business day**” means any day that is not Saturday, Sunday or a holiday observed by the state of Oregon.

## 22. Escrow Provisions.

22.1. Earnest Money. Title Company will hold and disburse the Earnest Money in accordance with the terms of this Agreement, unless otherwise directed by the mutual written direction of the parties.

22.2. Duties of Title Company. The sole duties of Title Company will be those described herein, and Title Company will be under no obligation to determine whether the parties hereto are complying with any requirements of law or the terms of any other agreements among said parties. Title Company may conclusively rely upon and will be protected in acting upon any notice, consent, order or other document believed by it to be genuine and to have been signed or presented by the proper party or parties, consistent with reasonable due diligence on Title Company’s part. Title Company may consult the advice of counsel with respect to any issue concerning the interpretation of its duties hereunder. Title Company will have no duty or liability to verify any such notice, consent, order or other document, and its sole responsibility will be to act as expressly set forth in this Agreement. Title Company will be under no obligation to institute or defend any action, suit or proceeding in connection with this Agreement. If any dispute arises with respect to the disbursement of any money, Title Company may continue to hold the money, or commence an interpleader action in a court of competent jurisdiction and remit the money to that court.



23. Removal of Personal Property. Buyer agrees that Seller shall have the right, upon the provision of written notice to Buyer, to reenter the Property within ten (10) business days of the Closing Date, for purposes of retrieving any personal property of Seller (collectively, “Seller’s Personal Property”) remaining at the Property after Closing, which was not intended to be included with the sale. Buyer agrees to cooperate with Seller in providing reasonable access to the Property for purposes of retrieving Seller’s Personal Property. In the event Seller fails to remove any of Seller’s Personal Property remaining at the Property within the timeframes described above, Buyer may remove or destroy it without liability to Seller. Buyer and Seller agree that the obligations in this Section 23 shall expressly survive the Closing.

24. Statutory Disclosure. THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON’S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. 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 THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

*[Remainder of page intentionally left blank]*

**SIGNATURE PAGE  
TO  
OPTION AGREEMENT**

Seller and Buyer executed this Agreement as of the Effective Date.

**“Buyer”**

SPRINGFIELD ECONOMIC  
DEVELOPMENT AGENCY,  
an urban renewal agency  
of the City of Springfield, a municipal  
corporation

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

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**“Seller”**

U.S. BANK NATIONAL ASSOCIATION,  
a national banking association

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

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**JOINDER BY TITLE COMPANY**

FIRST AMERICAN TITLE INSURANCE COMPANY is executing this Agreement in its capacity as Title Company only, and by such execution is only agreeing to act strictly in accordance with the terms of this Agreement that govern the duties and obligations of Title Company, including being the designated party to comply with any reporting requirements specified in Section 6045 of the United States Internal Revenue Code (and any related regulations regarding such reporting obligations) in relation to this transaction.

FIRST AMERICAN TITLE INSURANCE  
COMPANY

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

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_, 2024

**EXHIBIT A**  
**LEGAL DESCRIPTION OF PROPERTY**

All that certain real property situated in the County of Lane, State of Oregon, described as follows:

APN: 1703353111200

**EXHIBIT B**  
**RESTRICTIVE COVENANT**

[See following 3 pages.]

**WHEN RECORDED, MAIL TO:**

U.S. Bank National Association

Attn: \_\_\_\_\_

U.S. Bancorp Center

BC-MN-H21R

800 Nicollet Mall

Minneapolis, Minnesota 55402

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**DECLARATION OF RESTRICTIVE COVENANT**

This Declaration of Restrictive Covenant is made as of the \_\_\_\_\_ day of \_\_\_\_\_ 2024 (the “Effective Date”), by U.S. BANK NATIONAL ASSOCIATION, a national banking association (“Bank”).

**RECITALS**

A. Bank owns certain real property situated in Lane County, Oregon , more particularly described in Exhibit A hereto (the “Property”).

B. In connection with Bank’s intended sale of the Property on this date, Bank desires to declare that the Property may not be used for certain uses for the benefit of Bank.

NOW, THEREFORE, Bank hereby declares that no portion of the Property may be used or occupied for the principal purpose, or any uses ancillary thereto (including, but not limited to parking and advertising), of a retail bank, credit union, savings and loan, money store, or mortgage or loan origination or for the placement, operation or maintenance of an automated teller machine or similar device. These restrictions shall run with the Property as covenants running with the land or as equitable servitudes, as the case may be, and shall constitute a burden on the Property for the benefit of Bank for a period of three (3) years from the Effective Date, at which time this Declaration of Restrictive Covenant shall automatically terminate and be of no further force or effect.

IN WITNESS WHEREOF, Bank has executed this Declaration of Restrictions as of the day and year first written above.

OWNER: **U.S. BANK NATIONAL ASSOCIATION**

By: \_\_\_\_\_  
Name:  
Title:

STATE OF MINNESOTA     )  
  )    ss.  
COUNTY OF HENNEPIN    )

On this \_\_\_\_ day of \_\_\_\_\_, in the year 20\_\_, before me, a Notary Public in and for said State, personally appeared \_\_\_\_\_, known or identified to me to be \_\_\_\_\_ of U.S. Bank National Association, a national banking association, who executed the instrument, on behalf of said national banking association.

\_\_\_\_\_  
Notary Public

My Commission Expires:\_\_\_\_\_

**EXHIBIT A TO**  
**DECLARATION OF RESTRICTIVE COVENANT**

**Legal Description of the Property**