



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

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CITY OF THE DALLES

**AGENDA**  
**COLUMBIA GATEWAY**  
**URBAN RENEWAL ADVISORY COMMITTEE**

Conducted in a Handicap Accessible Meeting Room

**Tuesday, March 17, 2015**

5:30 pm

City Hall Council Chambers

313 Court Street

The Dalles, Oregon

- I. CALL TO ORDER
- II. ROLL CALL
- III. PLEDGE OF ALLEGIANCE
- IV. ELECTION OF COMMITTEE VICE CHAIRMAN
- V. APPROVAL OF AGENDA
- VI. APPROVAL OF MINUTES – February 17, 2015
- VII. PUBLIC COMMENTS (For items not on the agenda)
- VIII. ACTION ITEM – Recommendation to Agency Board Concerning Proposed Resolution No. 15-002, Approving Amendment No. 15 to the Urban Renewal Plan, Adding the Elks Lodge Building as an Approved Project
- IX. ACTION ITEM – Recommendation to Agency Board Concerning Proposed Purchase Agreement for Elks Lodge Building
- X. ONGOING URBAN RENEWAL PROJECTS UPDATE
- XI. FUTURE MEETING – April 21, 2015
- XII. ADJOURNMENT

**Columbia Gateway Urban Renewal Agency Advisory Committee  
Tuesday, February 17, 2015**

**5:30 PM**

City Hall Council Chambers

313 Court Street

The Dalles, OR 97058

*Conducted in a handicap accessible room.*

CALL TO ORDER

Chair Grossman called the meeting to order at 5:30 PM.

ROLL CALL

Members Present: Gary Grossman, Steve Kramer, John Nelson, Atha Lincoln, Linda Miller, John Willer

Members Absent: \*Greg Weast, Jennifer Dewey

Staff Present: Urban Renewal Manager Nolan Young, Administrative Fellow Daniel Hunter, Administrative Secretary Carole Trautman

Others Present: Mid-Columbia Economic Development District (MCEDD) Loan Fund Manager Eric Nerdin, City of The Dalles Business Development Director Gary Rains, Main Street Program Director Matthew Klebes

PLEDGE OF ALLEGIANCE

Chair Grossman led the group in the Pledge of Allegiance.

Grossman introduced Dr. John Willer, Mid-Columbia Fire and Rescue representative for the Urban Renewal Advisory Committee (URAC).

ELECTION OF COMMITTEE VICE CHAIRMAN

Chair Grossman called for nominations for the Committee's Vice Chair position. It was moved by Kramer and seconded by Nelson to nominate Greg Weast. With no further nominations, Chair Grossman called for the vote. Grossman, Kramer, Nelson, Lincoln and Miller voted in favor, Willer abstained; Weast and Dewey were absent. Motion carried.

APPROVAL OF AGENDA

Chair Grossman asked if there were any additions or corrections to the agenda. None were noted.

APPROVAL OF MINUTES

It was moved by Nelson and seconded by Lincoln to approve the minutes as submitted. Grossman, Kramer, Nelson, Lincoln and Miller voted in favor, Willer abstained; Weast and Dewey were absent. Motion carried.

PUBLIC COMMENT

None.

ACTION ITEM – Urban Renewal Property Rehabilitation Façade Improvement Application Review and Recommendation to the Agency Board for Columbia Gorge Real Estate

**\*NOTE:** Weast joined the meeting at 5:33 PM.

MCEDD Loan Fund Manager Nerdin presented highlights of the staff report and pointed out that this was the first Urban Renewal (UR) Property Rehabilitation Façade Improvement Grant application since the formation of the program.

Applicant Nan Wimmers stated that a Phase III was planned for the project, the installation of an outdoor courtyard. Ms. Wimmers indicated no UR funds would be requested for Phase III.

Miller and Weast said they supported the project. Weast asked if the Agency would need to borrow money this fiscal year to recover funds. Urban Renewal Manager Young stated that there would be sufficient cash this year to fund projects, but the Agency would need to borrow funds for certain projects next fiscal year.

It was moved by Kramer and seconded by Weast to recommend approval by the Urban Renewal Agency (Agency) board of a \$10,100.00 Property Rehabilitation Façade Improvement Grant to Columbia Gorge Real Estate for its Phase II project. Grossman, Kramer, Weast, Lincoln, Nelson, and Miller voted in favor; Willer abstained; Dewey absent. The motion carried.

ACTION ITEM - Recommendation Concerning Funding for the Lewis and Clark Fountain Project

Administrative Fellow Daniel Hunter presented the highlights of the staff report. Hunter stated that the Agency had committed to a \$100,000 donation, and the project was at a point where they were ready to proceed. The bronze canoe sculpture design was created by artist Jeff Stewart and would be placed in the circular grass area on the south side of the park.

Urban Renewal Manager Young reported that the UR funds for the fountain had been in place for approximately four years, and the Agency would not need to borrow cash to fund the project this year. However, Young said, any money spent this year would mean less money available next year.

Miller stated that she thought it was a wonderful project. Her concern was vandalism, because there was a history of vandalism in the park. Young said cameras were installed at the park, but they had not been as effective as they had hoped. Chair Grossman pointed out that there was a fair amount of leverage this year receiving a donation, and if the project did not proceed this year, the Agency could lose the donation.

It was moved by Nelson and seconded by Kramer to recommend approval by the Urban Renewal Agency board for the distribution of \$100,000 for the development of the Lewis and Clark Fountain Project. Grossman, Kramer, Weast, Lincoln, Nelson, and Miller voted in favor; Willer abstained; Dewey absent. The motion carried.

ACTION ITEM – Recommendation Concerning the Real Property Purchase of the Elks Building for a Neon Sign Museum

The Dalles Business Development Director Rains highlighted his list of questions from the URAC and the Agency board dated February 17, 2015. Some of the main discussion points of his report were as follows:

- The assessed tax value of the building was \$262,000, and the annual property tax payments were current.
- Staff researched and determined there is a considerable amount of downtown parking available.
- The potential for additional UR funding for the façade improvement on the building could possibly come late in the project.
- Holding funds for the roofing until the time of reconstruction rather than funding the roof project up front could be a consideration, but Rains felt it would be better to get the roofing done early. Staff was continuing to gather information on specific cost estimates in order to get the best price.

Main Street Program Director Klebes reported on the tourism visitor rates at other museums and attractions in the area as follows: The Discovery Center – 34,000/yr.; Western Auto Museum – 40,000/yr; Maryhill – 40,000 over seven months; Bonneville Dam – 60,000/yr; Sunshine Mill Winery – 9,000 visitors last year; cruise ship visitors last year totaled approximately over 14,600. Interstate 84 traffic totals approximately 7 million cars a year.

Weast asked Rob Bearden, Director of Operations at Portland Art Museum, how many visitors per year would be needed to sustain the Sign Museum operations. Mr. Bearden said the estimate would be 25-27,000 visitors annually. One of the original fundraisers of the Portland Art Museum, Lucy Buchanan, offered to assist in the fundraising for this project on a national level. She has seen the site, and had a favorable opinion of the site and thought it was a viable project. Bearden said the sign industry is a national industry, and David Benko is on the radar with every major sign company in the United States, if not the world. The plan would be to draw up a national board, primarily for fundraising, because much of the inventory on display would come from around the world on loan. That would be the bulk of the startup capital. Mr. Bearden said the Buchanans raised \$125 million in over 11 years from the tri-county area around Portland, as

well as national contacts. “We don’t expect the funds to come from The Dalles,” Bearden said. He thought two years was a reasonable time to develop the project—a year to gather funding, and a year to build the project out to be presentable. He felt this site was “the right fit,” and they were excited about it.

Miller asked if they were seeking private investors. Bearden said not on this project. Nelson asked how they would market the vision locally. Mr. Bearden said it would depend, possibly bring a team to the area and spend time with the local people.

Various downtown stakeholders in the audience gave comments on the business project. Gary Honald asked what the plans were for the floating dance floor on the third floor. Bearden said they intended to preserve every inch of it. A new roof was imperative for that to happen. Mr. Honald said it sounded like a good project, because it was a project that would bring people to the downtown area. Michael Leash said he thought the project was a great concept and would be a great addition. Converting a building to tourism was a good thing. Chuck Covert said he had an opportunity previously to take a tour of the building, and he was amazed at its character. He felt any improvement in downtown was a big plus. Nan Wimmers commented that the project would add great diversity.

Nelson asked Mr. Bearden if any thought had been given to include, as part of the museum, a presentation of the history of the building. Bearden said they hadn’t given that much thought, but David Benko was a great historian. Gary Rains added that Benko had already obtained a set of old drawings of the building and had researched it.

It was moved by Weast and seconded by Lincoln to recommend that the Urban Renewal Agency move in a positive direction for the purchase of the Elks building for the purpose of the creation of a Sign Museum.

It was moved by Kramer and seconded by Weast to amend the original motion to include the maximum dollar amount of UR funds of \$245,000. Chair Grossman called for the vote on the amendment. Grossman, Kramer, Weast, Lincoln, Nelson, and Miller voted in favor; Willer abstained; Dewey absent. The motion carried.

Chair Grossman called for the vote on the original motion as amended. Grossman, Kramer, Weast, Lincoln, Nelson, and Miller voted in favor; Willer abstained; Dewey absent. The motion carried.

#### ONGOING URBAN RENEWAL PROJECTS UPDATE

Urban Renewal Manager Young reported that the United Church of Christ Congregational completed the window project and the UR grant payment was made.

Main Street Program Director Klebes reported that he has two more Property Rehabilitation Façade Improvement projects coming up in the near future, and he will be meeting with two additional potential applicants in the near future.

Granada Block Redevelopment Rapoza representative Michael Leash reported that the EB5 term sheet was signed, and the process was moving forward.

FUTURE MEETING – March 17, 2015

ADJOURNMENT

Chair Grossman adjourned the meeting at 6:17 PM.

Respectfully submitted by Administrative Secretary Carole Trautman.

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Gary Grossman, Chairman



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COLUMBIA GATEWAY URBAN RENEWAL AGENCY  
CITY OF THE DALLES

**AGENDA STAFF REPORT**

**URBAN RENEWAL ADVISORY COMMITTEE**

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
March 17, 2015		

**TO:** Urban Renewal Advisory Committee

**FROM:** Gene Parker, City Attorney

**THRU:** Nolan Young, Urban Renewal Manager *ny*

**DATE:** March 10, 2015

**ISSUE:** Recommendation to Urban Renewal Advisory Board Concerning Proposed Resolution No. 15-002, Approving Amendment No. 15 to the Urban Renewal Plan, adding the Elks Lodge Building as an Approved Project

**BACKGROUND:** On February 17, 2015, the Urban Renewal Advisory Committee received a presentation concerning a proposal from a private developer, David Benko, to acquire the Elks Lodge Building for the purpose of establishing a museum for the display of neon electric signs. Following the presentation, the Urban Renewal Advisory Committee voted to recommend to the Urban Renewal Advisory Board that the Agency proceed in a positive direction for the purchase of the Elks Lodge Building, and that a maximum amount of \$245,000 be placed upon funds to be used for the purchase of the building. On February 23, 2015, following a presentation to the Urban Renewal Agency Board, the Board voted to proceed with the purchase of the Elks Lodge Building from the current owner, Steven Johnston, for the maximum amount of \$245,000, and to proceed with transfer of title for the property to David Benko for the development of a sign museum.

Section 602 of the Urban Renewal Plan authorizes the acquisition and disposition of property as described in the Plan. The Plan specifically authorizes the Agency to acquire any interest in property within the area of the Urban Renewal District, which the Agency finds is necessary to support private redevelopment pursuant to the Plan, and where the owner of the property is willing to sell the property to the Agency. The Agency's action in approving the acquisition needs to specify the need for the acquisition to support private redevelopment.

Acquisition of the Elks Lodge Building by the Agency, to facilitate the private redevelopment of the property, is not currently listed as an approved project in the Agency's Urban Renewal Plan. Section 1201(E) provides that projects can be added to the Urban Renewal Plan as a minor amendment to the Plan, provided that the Agency makes the necessary findings to show that addition of the project does not modify the goals and objectives or the basic procedural, planning or engineering principles of the Plan.

Enclosed with this staff report is a copy of proposed Resolution No. 15-002, which is scheduled to be presented to the Urban Renewal Board at its March 23, 2015 meeting. The proposed Resolution sets forth the applicable criteria for determining whether the proposed addition of the Elks Lodge Building, as an approved urban renewal project, satisfies the criteria for adding an additional project to the list of approved Agency projects, and the reasons why the staff believes that the criteria have been satisfied.

**BUDGET IMPLICATIONS:** If the Agency proceeds with acquisition of the Elks Lodge Building, the Agency will spend \$245,000 to purchase the building.

**STAFF RECOMMENDATION:**

- A. Move to recommend that the Urban Renewal Agency approve Resolution No. 15-002, approving Amendment No. 15 to the Urban Renewal Plan, adding the Elks Lodge Building as an approved project.
- B. If the Advisory Committee has any suggested revisions for the Resolution, move to recommend that the Urban Renewal Agency approve Resolution No. 15-002 as revised by the Advisory Committee, approving Amendment No. 15 to the Urban Renewal Plan, adding the Elks Lodge Building as an approved project.

**RESOLUTION NO. 15-002**

**A RESOLUTION APPROVING MINOR AMENDMENT  
NUMBER FIFTEEN (15) TO THE COLUMBIA GATEWAY  
DOWNTOWN PLAN, ADDING THE REDEVELOPMENT  
OF THE ELKS LODGE BUILDING, AS AN URBAN  
RENEWAL PROJECT**

**WHEREAS**, Section 1201(E) of the Columbia Gateway Urban Renewal Agency Plan (hereinafter referred to as “Urban Renewal Plan”) provides for minor changes to be adopted to the Urban Renewal Plan which involve the addition of projects that do not modify the goals and objectives or the basic procedural, planning, or engineering principles of the Plan; and

**WHEREAS**, Section 1201(E) of the Urban Renewal Plan further provides that minor changes to the Agency’s Plan shall be made by a duly adopted, approved resolution of the Agency in which the details of the minor change shall be described; and

**WHEREAS**, on March 17, 2015, the Urban Renewal Advisory Committee reviewed proposed Resolution No. 15-002, and voted to recommend the Urban Renewal Agency Board approve the proposed minor amendment to the Urban Renewal Plan by adoption of the proposed Resolution; and

**WHEREAS**, the Urban Renewal Agency Board conducted a meeting on March 23, 2015, to consider the proposed Minor Amendment Number Fifteen (15) to the Urban Renewal Plan;

**NOW, THEREFORE, THE COLUMBIA GATEWAY URBAN RENEWAL  
AGENCY RESOLVES AS FOLLOWS:**

Section 1. Minor Amendment Authorized. Pursuant to Section 1201(E) of the Agency’s Urban Renewal Plan, the Agency authorizes a minor amendment to the Plan to be prepared in accordance with Section 1201 of the Urban Renewal Plan. The change shall consist of adding as an approved project the redevelopment of the Elks Lodge Building (“Project”). The Project anticipates acquisition of the Elks Lodge Building by the Agency, and conveyance of the property to a private developer for creation of a museum for the display of neon signs. The change to the Urban Renewal Plan shall be assigned an appropriate exhibit number and be placed in the appendix of the Urban Renewal Plan. The Agency finds and concludes that the proposed addition of the Project qualifies as a minor change under Section 1201 of the Plan, as the project is consistent with the goals and objectives of the Urban Renewal Plan, and does not modify the basic procedural, planning or engineering principles of the Urban Renewal Plan, for the following reasons:

- A. The proposed redevelopment project is consistent with the following goals and objectives set forth in Section 401 of the Urban Renewal Plan:

1. It will allow the Agency to make strategic investments of urban renewal funds and engage in various urban renewal activities which will increase the value of properties within the Urban Renewal Area. The purchase agreement for the property anticipates that a new roof will be placed upon the Elks Lodge Building. The repairs to the roof, along with other interior improvements to be made to the building as part of the redevelopment of the building to facilitate the creation of a museum for the display of neon signs, will enhance the value of the Elks Lodge Building.

2. Investment of funds in the Elks Lodge Building will allow the building, which has been underused for several years, to be placed in a productive condition, and to be utilized for economic development in a manner which is consistent with Goal #9 of the City's Comprehensive Plan.

3. It will allow the Agency to participate by means of providing funding in specific opportunities for business, civic, and tourist-related properties to be developed, redeveloped, improved, rehabilitated and conserved in ways which will:

a. Insure a more attractive, functional, and economically viable city.

4. It will allow the Agency to leverage its financial resources to the maximum extent possible with the private funding sources which will be established to raise the funds necessary for the redevelopment of the Elks Lodge Building, and the operation of the proposed museum.

B. The addition of the Project satisfies the four following general criteria set forth in Section 601 of the Urban Renewal Plan:

1. The proposed project addresses the following blighted conditions as described in the Urban Renewal Plan:

a. The building currently needs a new roof, which is contemplated to be done as part of the purchase agreement for the building. Recently, an exterior portion of the cornice of the building cracked, presenting a safety hazard to pedestrians and parked vehicles. The building requires significant interior improvements, estimated to cost between \$1 to \$1.5 million dollars, to bring the building into compliance with current building codes. The building has been vacant for several years, and has failed to attract any investor(s) willing to incur the costs to repair the blighted conditions which exist in the building. The continued vacancy of the building will increase the potential for further deterioration of the building, which could result in a determination that the building has to be demolished. The proposed acquisition of the building contemplates

the formation of a private non-profit foundation which will raise the necessary funds to redevelop the building to facilitate the operation of a museum for display of neon signs, which will address the blighted conditions in the building and prevent further deterioration of the building.

2. The proposed Project is anticipated to annually attract between 10,000 to 15,000 visitors to the downtown. The proposed Project is consistent with Economic Development Goal 5 of Goal #9 of the City's Comprehensive Plan concerning economic development, which is to implement the objectives and activities of the Columbia Gateway/Downtown Urban Renewal Plan, enhancing opportunities for the improvement and redevelopment of business, civic, cultural uses in the area; and consistent with Policy 10 of Goal #9 which is to encourage tourism-related services as an element in the diversification of the community's economy.

3. The disposition and development agreement for the Project anticipates that the historic nature of the Elks Lodge Building will be maintained by the developer, and that the applicable provisions of the City's Historic Landmarks Ordinance will be complied with as the Project is developed.

4. The redevelopment of the Building for a museum, for the display of neon signs, will generate economic and tourist activity within the community. The Building currently generates approximately \$4,000 in annual property taxes, and the Agency anticipates a return on its investment of \$245,000 within approximately 6 to 7 years, which the Agency has determined is a reasonable rate of return on its investment.

C. The proposed Project satisfies the following specific criteria set forth in Section 601 of the Urban Renewal Plan:

1. The Project will increase the value of the property upon which the Project is located.

2. The Project will place unused and underused property into a productive condition.

3. The Project will enhance opportunities for business, civic, cultural and tourist-related property to be developed, redeveloped, improved, rehabilitated, and/or conserved.

4. The Project will leverage the Agency's financial resources to the maximum extent possible with other private investments and private funding.

5. The Project will encourage investment in the core commercial area of the City.

Section 2. Effective Date. This Resolution shall be effective as of March 23, 2015.

**PASSED AND ADOPTED THIS 23<sup>RD</sup> DAY OF MARCH, 2015.**

Voting Yes, Agency Member: \_\_\_\_\_  
Voting No, Agency Member: \_\_\_\_\_  
Absent, Agency Member: \_\_\_\_\_  
Abstaining, Agency Member: \_\_\_\_\_

**AND APPROVED BY THE CHAIR THIS 23<sup>RD</sup> DAY OF MARCH, 2015.**

\_\_\_\_\_  
Stephen E. Lawrence, Chair

ATTEST:

\_\_\_\_\_  
Julie Krueger, MMC, City Clerk



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CITY OF THE DALLES

**AGENDA STAFF REPORT**

**URBAN RENEWAL ADVISORY COMMITTEE**

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
March 17, 2015		

**TO:** Urban Renewal Advisory Committee

**FROM:** Gene Parker, City Attorney

**THRU:** Nolan Young, Urban Renewal Manager

**DATE:** March 10, 2015

**ISSUE:** Recommendation to Urban Renewal Advisory Board Concerning Proposed Disposition and Development Agreement for the Elks Lodge Building

**BACKGROUND:** The Agency’s Urban Renewal Plan provides that the Agency may dispose of property acquired from a willing seller by conveying any interest in the property. Enclosed with this agenda staff report is a copy of a proposed Disposition and Development Agreement (“DDA”) for the Elks Lodge Building with David Benko. The proposed DDA uses a format similar to the DDA which the Agency entered into with Rapoza Development LLC for the development of the Granada Block Project.

Section 2.3.1 provides that purchase price for the proposed transaction in terms of monetary consideration is \$0. Consistent with the provisions of Section 602(C) of the Urban Renewal Plan, the DDA explains that the purchase price reflects the fair reuse value as determined by the Agency in its discretion as the price necessary to facilitate Development or redevelopment of the property in accordance with the provisions of the Agency’s Urban Renewal Plan. Information provided to the Urban Renewal Advisory

Committee and the Urban Renewal Agency indicated that it would cost between \$1 million to \$1.5 million dollars to perform the necessary interior improvements to the building to make the building functional. The Agency Board determined that it did not have the financial resources to commit to make these types of improvements for the building, in light of its commitment to other urban renewal projects. In order to facilitate the private redevelopment of the building, which would be dependent upon the formation of a private non-profit foundation to raise funds for the redevelopment of the building and the ultimate operation of a museum for the display of neon signs, the Agency Board in its discretion determined that it was necessary to convey the property to the developer for zero monetary consideration. The Agency's Urban Renewal Plan provides that the fair reuse value for property may be lower than the property's fair market value.

Section 2.6.1 sets forth the applicable conditions precedent to conveyance of the property to Mr. Benko. The primary conditions precedent are that there be no litigation that would prevent either the Agency or Mr. Benko from being able to perform their respective obligations; that the Agency has provided Mr. Benko with satisfactory proof of marketable title and issuance of a preliminary title insurance policy acceptable to the parties; and the Agency has confirmed that funds will be paid from the closing transaction for the repair of the roof or that funds will be paid after closing for the cost of those repairs.

Under Section 4 concerning Development, Mr. Benko will provide quarterly progress reports to the Agency as to the progress of the fund raising efforts, and agree to take steps to ensure the historic nature of the building. Section 4.3.1 provides for a period of two years from the date of execution of the agreement for completion of a museum for the display of neon signs, with the museum to be open to the public by that date. Section 7.3 provides that if the Developer fails to have the museum open and operational by the deadline provided for in Section 4.3.1, the Agency can give notice of Termination to the Developer of the Developer's rights and interest in the property, and the Developer is required to convey the property back to the Agency.

**BUDGET IMPLICATIONS:** The sum of \$245,000 has been proposed for purchase of the Elks Lodge Building.

**STAFF RECOMMENDATION:**

- A. Move to recommend that the Urban Renewal Agency approve the proposed Disposition and Development Agreement for the Elks Lodge Building as presented.
- B. If the Advisory Committee has any suggested revisions for the proposed DDA, move to recommend that the Urban Renewal Agency approve the Disposition and Development Agreement as revised by the Advisory Committee.

**AGREEMENT FOR DISPOSITION OF PROPERTY  
FOR REDEVELOPMENT OF ELKS LODGE BUILDING**

This **AGREEMENT FOR DISPOSITION OF PROPERTY FOR REDEVELOPMENT** (this “Agreement”) is made as of \_\_\_\_\_, 2015, by the **COLUMBIA GATEWAY URBAN RENEWAL AGENCY**, the duly authorized and acting urban renewal agency of the City of The Dalles, Oregon (“City”), a political subdivision of the State of Oregon (“Agency”) and David Benko (“Developer”). Agency and Developer are referred to jointly in this Agreement as “Parties” and individually as a “Party.”

**RECITALS**

1. Agency is in the process of acquiring the real property located at 200 East 3<sup>rd</sup> Street in The Dalles, Oregon, which includes the building commonly known as the Elks Lodge Building (the “Project Site”). The Project Site is more particularly described in Exhibit A.
2. Agency is intending to acquire the Project Site in order to facilitate private redevelopment in support of the public objectives of the Columbia Gateway Urban Renewal Plan (“UR Plan”).
3. Developer is interested in developing a museum upon the Project Site for the display of neon signs (hereinafter referred to as “Project”).
4. The Parties are now prepared to enter into a definitive agreement for Developer to undertake acquisition of the real property located upon the Project Site, and development and operation of the Project to be renovated or built thereon.
5. The completion of the Project according to the terms of this Agreement is a material inducement to Agency's sale of the real property described in Exhibit A.
6. Agency finds that Developer's use of the Project Site, pursuant to this Agreement, will help achieve the community and Agency goals for, among others, enhancing the Downtown, curing blighted conditions, increasing taxable value of real property and reasonably anticipating additional job creation.

**AGREEMENT**

This Agreement shall incorporate by this reference, the Recitals, and all Exhibits hereto. The Parties, in consideration of the promises and the agreements set forth herein and for other valuable consideration the receipt and adequacy of which are hereby acknowledged, covenant and agree as follows:

**1. DEFINITIONS**

Words that are capitalized, and which are not the first word of a sentence, are defined terms. A defined term has the meaning given it when it is first defined in this Agreement. Defined terms may be used together and the combined defined term has the meaning of the combined defined terms. A defined term that is a noun may be used in its verb or adjective form and vice-versa. Defined terms may be used in the singular or the plural.

## 2. GENERAL TERMS OF CONVEYANCE

2.1 **Identification of Parcels.** The Project Site consists of two parcels, popularly known as, and referred to in this Agreement, as follows in this Section 2.1 (each a "Parcel" and collectively, the "Parcels") as the Elks Lodge Building. The Agency shall convey both parcels as provided in this Agreement in accordance with the scheduled closing date of March 27, 2015.

### 2.2 Form of Deeds; Escrow.

2.2.1 Following the closing for the purchase of the Project Site by the Agency, upon satisfaction of the Conditions Precedent to Conveyance as set forth in Section 2.9.1 hereof, the Agency will convey the two parcels which constitute the Project Site to Developer pursuant to a Warranty Deed in substantially the form attached hereto as Exhibit B.

### 2.3 Purchase Price. The Purchase Price for each Parcel is as follows:

2.3.1 The actual purchase price in terms of monetary consideration is \$0. However, the purchase price reflects the fair reuse value as determined by the Agency in its discretion as the price necessary to facilitate development or redevelopment of the Project Site in accordance with the provisions of the Agency's Urban Renewal Plan.

### 2.4 Title Review.

The following title review process will apply to the purchase of each of the Agency Parcels.

2.4.1 Not later than five (5) business days after receipt of the preliminary title report for the transaction involving acquisition of the Project Site by Agency from Steven M. Johnston, Agency shall deliver to Developer a copy of the preliminary title report for the Project Site. Developer shall notify Agency within five (5) business days of any objection to the preliminary title report or the exceptions to title. Within five (5) business days after Developer's written notice to Agency described in the preceding sentence, Agency shall notify Developer in writing of its intention to remove or not remove the objectionable exceptions to title prior to Closing. If Agency refuses to remove any such objected to exceptions, Developer may terminate this Agreement or proceed to close subject to same. Any exceptions to which Developer does not timely object in writing or otherwise accepts at Closing are the "Final Permitted Exceptions."

2.4.2 Agency covenants and agrees that it shall not further encumber the Project Site after the date hereof (other than those exceptions appearing on the Title Report on the date provided to Developer) without the written consent of Developer, which consent shall not be unreasonably withheld, conditioned or delayed.

### 2.5 Title Insurance, Survey, Property Taxes and Closing Costs.

The following provisions will apply to the purchase of each of the Agency Parcels.

2.5.1 The Agency, at its expense, shall provide Developer with a standard coverage ALTA Owner's Policy of Title Insurance, issued by Escrow Agent, covering the Project Site to be purchased insuring Developer in the amount of the Purchase Price, all free and clear of encumbrances except the standard exceptions and the Final Permitted Exceptions. Developer, at its option and its expense, may elect to obtain extended coverage under such policies of title insurance, and the Agency

agrees to execute any affidavits or other documents required by the Escrow Agent to enable Developer to obtain such coverage.

2.5.2 The costs for recording a Memorandum of this Agreement, the Deed for each Parcel and any other documents required by Developer to be recorded will be paid by Agency.

2.5.3 The Developer and the Agency shall each pay one-half (1/2) of any escrow fees charged by Escrow Agent. Developer shall be obligated to pay all property taxes payable from and after the Closing Date. Any assessments on the conveyed Project Site shall be paid in full by the Developer as of the Closing Date. All other Closing costs, if any, shall be allocated in accordance with the customary practice in Wasco County.

## 2.6 Conditions Precedent to Conveyance.

### 2.6.1 Conditions Precedent to Conveyance of Project Site.

Developer and the Agency are not obligated to close the transfer of the Project Site unless the following conditions are satisfied to the reasonable satisfaction of, or waived by, the benefited Party. The Party benefited by a particular condition shall not unreasonably withhold or delay acknowledgment that the condition has been satisfied. The Parties shall act diligently and in good faith to satisfy conditions over which they have control or influence.

(a) Developer is not obligated to purchase the Project Site until, to Developer's satisfaction:

(1) Agency shall have given Developer satisfactory proof of marketable title and the issuance of a preliminary title insurance commitment evidencing the willingness of a title insurance company to insure the Project Site, subject only to the standard exceptions and the Final Permitted Exceptions;

(2) No litigation is pending which prevents the Agency or Developer from performing their respective obligations under this Agreement.

(b) Agency is not obligated to sell the Project Site until, to Agency's satisfaction:

(1) Agency has confirmed that funds will be paid out of the closing for the purchase of the Project Site by Agency from Steven M. Johnston for repair of the roof on the Elks Lodge Building, which cost of repair has been agreed upon not to exceed the sum of \$60,000, or an agreement has been reached between the Agency and Mr. Johnston which will allow for payment of the costs of the roof repair following the closing of the purchase of the property by the Agency from Mr. Johnston.

(2) No litigation is pending which prevents Agency or Developer from performing their respective obligations under this Agreement.

### 2.6.2 Elections upon Non-Occurrence of Conditions.

Except as provided below, if any condition in Section 2.6.1 or 2.6.2 is not fulfilled to the satisfaction of the benefited Party or Parties on the date scheduled for Closing as to the Project Site, subject to any extension that may be granted pursuant to this Section 2.6.2 or elsewhere in this Agreement, then such benefited Party or Parties may elect to:

(a) Terminate this Agreement, which termination shall become effective sixty (60) days after the notice of termination is sent ("Termination Date") unless, before the sixty (60) day period ends, the other Party fulfills such condition or conditions to the reasonable satisfaction of the benefited Party or Parties; or

(b) Waive in writing the benefit of that condition precedent to its obligation to perform under this Agreement, and proceed in accordance with the terms hereof; or

(c) Extend the Termination Date by which the applicable condition may be satisfied, and if the other Party agrees in writing to the extension.

## **2.7 Agency Representations and Warranties.**

Agency represents that:

2.7.1 Except as has been disclosed to Developer in writing, to Agency's knowledge, there has been no generation, manufacture, refinement, transportation, treatment, storage, handling, disposal, transfer, release or production of Hazardous Substances, or other dangerous or toxic substances or solid wastes on the Agency Parcels, or underground storage tanks existing on the Agency Parcels, except in compliance with Environmental Laws currently in effect, and Agency has not received notice of the release of any Hazardous Substances on the Agency Parcels;

2.7.2 The Agency is not a "foreign person" within the meaning of Section 1445(f) (3) of the Internal Revenue Code of 1986, as amended;

2.7.3 To the best of Agency's knowledge, there is no litigation, action, suit, or any condemnation, environmental, zoning, or other government proceeding pending or threatened, which may affect the Agency Parcels or Agency's ability to perform its obligations under this Agreement;

2.7.4 The Agency has not received any notice stating that the Agency Parcels are in violation of any applicable laws, rules, regulations, ordinances and other governmental requirements ("Laws");

2.7.5 No representation, warranty or statement of the Agency in this Agreement or any of the exhibits attached contains any untrue statement of a material fact;

2.7.6 As of the date hereof, there are no defaults by the Agency under this Agreement or events that with the passage of time would constitute a default of Agency under this Agreement.

2.7.7 Agency has obtained approvals required by Law in order to enter into this Agreement.

2.7.8 "Agency's knowledge" shall mean the actual knowledge of Nolan Young, City Manager.

## **2.8 Developer Representations and Warranties.**

Developer represents that:

2.8.1 Developer has full power and authority to enter into and perform this Agreement in accordance with its terms, and Developer has taken all requisite entity action in connection with the execution of this Agreement and the transactions contemplated hereby.

2.8.2 No representation, warranty or statement of Developer in this Agreement or any of the exhibits attached contains any untrue statement of a material fact.

2.8.3 As of the date hereof there are no defaults by Developer under this Agreement or events that with the passage of time would constitute a default of Developer under this Agreement.

2.8.4 Developer enters into this Agreement without reliance upon any verbal representation of any kind by Agency, its employees, agents or consultants regarding any aspect of the site, the Project, its feasibility, financing or compliance with any governmental regulation.

### 3. PUBLIC IMPROVEMENTS AND INFRASTRUCTURE

3.1 **Utility Service Representations.** Developer will determine for his own benefit that, public and private utilities are available to the Project Site with sufficient capacity to serve the Project, and that any utilities located within the Project Site are acceptable or shall be removed by Developer.

3.2 **Subsurface, Surface and Building Conditions.** Except for Agency's specific representations and warranties set forth in this Agreement, the Project Site shall be conveyed to Developer "AS IS". Except as otherwise specifically provided in this Agreement, Agency makes no warranties or representations as to the suitability of the soil conditions or any other conditions of the Project Site or structures thereon for any improvements to be constructed by the Developer, and except for representations and warranties otherwise provided by Agency in this Agreement, Developer warrants that it has not relied on any representations or warranties made by Agency or the Agency as to the environmental condition of the Project Site, the suitability of the soil conditions or any of the conditions of the Project Site for any improvements to be constructed by the Developer. Except for breach of Agency representations and warranties expressly set forth in this Agreement Developer agrees that the Agency will not be liable for any loss, cost or damage which may be caused or incurred by Developer by reason of any such soil or physical conditions on the Project Site. Agency has allowed Developer free access to Agency's records with respect to conditions of the soils and will assist in obtaining the cooperation of other public and private agencies having such information.

### 4. DEVELOPMENT

#### 4.1 **Project Financing.**

4.1.1 Developer will be responsible for the formation of a private non-profit entity which will raise the funds necessary to renovate the Elks Lodge Building to allow for the operation of the museum. Developer shall provide quarterly progress reports to Agency as to the progress of the fund raising efforts.

#### 4.2 **Historic Character of Elks Building.**

4.2.1 In developing the design for the restoration/ remodeling of the Elks Lodge Building to facilitate the use of the building as a museum for the display of neon signs, the Developer agrees to preserve the historic nature of the Elks Lodge Building and to maintain its historic character and

architectural features, and to comply with any applicable provisions of the City's Historic Landmarks Ordinance.

#### 4.3 **Diligent Completion.**

4.3.1 In accordance with the terms and conditions of this Agreement, Developer will complete the Project which for purposes of this section shall be defined as the completion of a museum for the display of neon signs, which museum shall be open for operation to the public by a date which is defined as two (2) years from the date of execution of this Agreement, subject to Unavoidable Delay as provided in Section 7.7.

4.3.2 Developer agrees to keep Agency informed of its progress with respect to the Project after the Effective Date, by issuing periodic reports on the Project no less frequently than quarterly until the Project is completed. Such information may include, but not be limited to: design information describing or illustrating the Project; and reports on the status of Project financing and other information as may be reasonably requested from time to time by Agency. Agency shall be entitled to depend on the accuracy and completeness of any such information provided to it by Developer, except third-party reports or work products.

4.3.3 Developer's update reports described in Section 4.3.2 may be made via email correspondence to the Agency Contract Manager or his successor.

#### 4.4 **Agency Role in Construction Approval Process.**

4.4.1 Agency will upon Developer's request, assist Developer in obtaining the City approvals necessary to commence construction and complete the Project as proposed in this Agreement. The Parties understand and agree that Agency cannot guarantee such approvals, but Agency shall use its best efforts in working with the City and any other parties necessary to accomplish the Project.

### 5. **ENVIRONMENTAL MATTERS**

5.1 **Indemnification.** Developer shall comply with all Environmental Laws with respect to its business and the construction and operation of the Project from and after the Closing Date, except for matters caused solely by the act or failure to act of the Agency, its employees, agents, contractors, or invitees. Developer shall defend, indemnify and hold harmless the Agency, its successors and assigns, against any and all damages, claims, losses, liabilities and expenses, including, without limitation, reasonable legal, accounting, consulting, engineering and other expenses which may be imposed on or incurred by the Agency or asserted against the Agency, and its successors or assigns, by any other party or parties, including, without limitation, a governmental entity, arising out of or in connection with any violation of Environmental Laws by Developer.

5.2 **Contribution.** The foregoing indemnity does not limit any rights of contribution that the parties may have against others under applicable law or agreement. The indemnity is intended only as an allocation of responsibility between the Parties to this Agreement.

### 6. **ASSIGNMENT PROVISIONS**

6.1 **No Assignment.** Unless approved by the express written consent of Agency, Developer may not assign its interest in this Agreement. Agency may condition its approval of a transfer or assignment as Agency finds necessary in its sole discretion. Any attempt to assign or transfer an interest

in this Agreement, or the Project Site, or any portion thereof shall result in immediate termination of this Agreement, and shall trigger the remedies of Section 7.2 or 7.3, as the case may be.

**6.2 Permitted Assignment or Transfer.** Notwithstanding Section 6.1, “assignment or transfer” shall not include:

6.2.1 Any Mortgage(s) which Developer may cause to attach to the Project Site for purposes of the Project development; or

6.2.2 The assignment of this Agreement to an entity owned solely by, or controlled by Developer.

*Provided that,* any assignment or transfer permitted by this Section 6.2 shall not operate to relieve the Developer of the Developer’s obligations under this Agreement.

## **7. DEFAULT; REMEDIES**

### **7.1 Default and Cure.**

**7.1.1 Default by Developer.** A default shall occur if Developer breaches any material provision of this Agreement, whether by action or inaction, and such breach continues and is not remedied within sixty (60) days after Developer receives written notice from Agency specifying the breach. Failure of Developer to act diligently and in good faith to satisfy conditions over which it has control or influence is a breach. Specifically, Developer’s failure to Close the purchase of the Project Site and after all conditions to conveyance has been satisfied or waived as to the subject conveyance is a breach. In the case of a breach which cannot with due diligence be cured within a period of sixty (60) days, a default shall occur if Developer does not commence the cure of the breach within sixty (60) days after Developer receives written notice from Agency and thereafter diligently prosecute to completion such cure. A default also shall occur if Developer makes any assignment for the benefit of creditors, or is adjudicated a bankrupt, or has a receiver; trustee or creditor's committee appointed over it that is not removed within one hundred eighty (180) days after appointment. Developer shall not be in default hereunder for failure to pay any tax, assessment, lien or other charge if Developer in good faith is contesting the same and, if necessary to avoid foreclosure, has furnished an appropriate bond or other undertaking to assure payment in the event Developer’s contest is unsuccessful.

**7.1.2 Default by Agency.** A default shall occur if Agency breaches any material provision of this Agreement, and such breach continues and is not remedied within sixty (60) days after Agency receives written notice from Developer specifying the breach or, in the case of a breach which cannot with due diligence be cured within a period of sixty (60) days, if Agency shall not within such sixty (60) day period commence the cure of the breach and thereafter diligently prosecute to completion such cure.

**7.2 Agency’s Pre-Conveyance Remedies.** If Developer defaults in any material term of this Agreement before the Project Site is conveyed to Developer, Agency may, at its option: (i) terminate this Agreement by written notice to Developer as to the Project Site, without waiving any cause of action Agency may have against Developer and seek monetary damages against Developer; or (ii) specifically enforce the obligations of Developer under this Agreement.

7.3 **Agency's Post-Conveyance Remedies.** If after closing for the Project Site, the Developer fails to have the museum operational and open to the public by the deadline provided for in Section 4.3.1, the Agency may provide written notice of termination to Developer and Escrow Agent declaring a termination in favor of the Agency of the title, and of all the rights and interest in the Project Site conveyed to Developer and any assigns or successors in interest shall be reconveyed to the Agency by Quitclaim Deed, pursuant to Escrow Instructions in Exhibit C.

7.4 **Developer's Pre-Conveyance Remedies.** If Agency defaults as to any material term of this Agreement prior to Closing, Developer may, as its sole remedy, but at its option: (i) terminate this Agreement by written notice to Agency; or (ii) specifically enforce the obligations of the Agency under this Agreement.

7.5 **Developer's Post-Conveyance Remedies.** In the event of Agency's material default after the Agency conveys the Project Site to Developer, Developer may, as its sole remedy, specifically enforce the obligations of the Agency under this Agreement.

7.6 **Nonexclusive Remedies.** The rights and remedies provided by this Agreement shall not be deemed exclusive, except where otherwise indicated, and shall be in addition to any and all rights otherwise available at law or in equity. The exercise by either Party of one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or of any of its remedies for any other default by the other Party, including, without limitation, the right to compel specific performance. Any limitation of remedies set forth herein should not limit or affect the obligations of a Party under any contractual indemnities set forth herein.

#### 7.7 **Unavoidable Delay**

7.7.1 Neither a Party nor Party's successor in interest shall be considered in breach of or in default with respect to any obligation created hereunder or progress in respect thereto if the delay in performance of such obligations (the "Unavoidable Delay") is due to causes that are unforeseeable, beyond its control, and without its fault or negligence, including but not limited to acts of God, acts of the public enemy, acts of the government, acts of the other Party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquake, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation involving a Party or others relating to zoning or other governmental action or inaction pertaining to the Project, extraordinary delay in the issuance of necessary permits for the Project, malicious mischief, condemnation action, delays of litigation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar events and/or occurrences beyond the control of such Party.

7.7.2 It is the purpose and intent of this provision that, in the event of the occurrence of any such Unavoidable Delay, the time or times for performance of the obligations of the Agency or Developer as the case may be, shall be extended for the period of the Unavoidable Delay; provided, however, that the Party seeking the benefit of this Section shall, within thirty (30) days after the Party becomes aware of the causes of any such Unavoidable Delay, notify the other Party in writing of the cause or causes of the delay and the estimated time of correction. Notwithstanding any other provision of this Agreement, the time for Parties' performance shall not be extended by one or more events of Unavoidable Delay for a cumulative period greater than 365 days.

## 8. MISCELLANEOUS PROVISIONS

8.1 **Agency Contract Manager.** For the purposes of making determinations relating to provisions of this Agreement on behalf of Agency, granting approvals and approving Minor Modifications, Agency has designated Nolan Young as the Agency Contract Manager.

### 8.2 **Authorization and Confidentiality**

8.2.1 Except for published information or information ascertainable from public records, any confidential information furnished or disclosed by Agency in connection with the Project, will be held by Developer in confidence and will not be divulged to any third party, except for a Party's advisors and consultants or as may be necessary to further the development of the Project.

8.2.2 Except for published information or information ascertainable from public records, if the Agency concludes that information furnished or disclosed to the Agency by Developer in connection with the Project is exempt from disclosure under state law, then, to the extent allowed by state law, and until ordered to disclose pursuant to a valid order of the district attorney, Agency will hold in confidence such information, and will not divulge such information to any third party, except for Agency's advisors and consultants.

8.2.3 If for any reason this Agreement is terminated, then each Party will return all such confidential information to the party from whom it was obtained.

8.3 **Compliance with Laws; Discrimination.** Developer shall comply with all applicable laws and, for itself and its successor and assigns, agrees that during the construction of the Project Developer will not discriminate against any employee or applicant for employment because of race, color, religion, age, gender, sexual orientation or national origin.

### 8.4 **Notice.**

8.4.1 Any notice or communication under this Agreement by either Party to the other shall be deemed given and delivered (a) forty-eight (48) hours after being dispatched by registered or certified U.S. mail; postage prepaid, return receipt requested, or (b) when received if personally delivered, and:

8.4.2 In the case of a notice or communication to Developer, addressed as follows:

David Benko  
6301 NE 124<sup>th</sup> St.  
Vancouver, WA 98686

8.4.3 In the case of a notice or communication to the Agency, addressed as follows:

Nolan Young, City Manager  
City of The Dalles  
313 Court Street  
The Dalles, OR 97058  
E-Mail: [nyoung@ci.the-dalles.or.us](mailto:nyoung@ci.the-dalles.or.us)

With a copy to:

Gene Parker, City Attorney  
City of The Dalles  
313 Court Street  
The Dalles, OR 97058  
E-Mail: [gparker@ci.the-dalles.or.us](mailto:gparker@ci.the-dalles.or.us)

or addressed in such other way in respect to either Party as that Party may, from time to time, designate in writing dispatched as provided in this Section. Notice given in any other manner shall be effective upon receipt by the Party for whom the same is intended.

8.5 **Merger.** None of the provisions of this Agreement are intended to or shall be merged by reason of any Deed transferring title to the Project Site or a portion thereof from the Agency to Developer or any successor in interest, and any such Deed shall not be deemed to affect or impair the provisions and covenants of this Agreement, but shall be deemed made pursuant to this Agreement.

8.6 **Headings.** Titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

8.7 **Waivers.** Except as otherwise expressly provided in this Agreement, no waiver made by either Party with respect to the performance, or manner or time thereof, of any obligation of the other Party or any condition inuring to its benefit under this Agreement shall be considered a waiver of any other rights of the Party making the waiver. No waiver by Agency or Developer of any provision of this Agreement or any breach thereof shall be of any force or effect unless in writing; and no such waiver shall be construed to be a continuing waiver.

8.8 **Attorneys' Fees.** If a suit, action, or other proceeding of any nature whatsoever, including, without limitation, any proceeding under U.S. Bankruptcy Code, is instituted to interpret or enforce any provision of this Agreement, or with respect to any dispute relating to this Agreement, including, without limitation, any action in which a declaration of rights is sought or an action for rescission, the prevailing party shall be entitled to recover from the losing party its reasonable attorneys', paralegals', accountants', and other experts' fees and all other fees, costs and expenses actually incurred and reasonably necessary in connection therewith, as determined by the judge or arbitrator at trial or arbitration, as the case may be, or on any appeal or review, in addition to all other amounts provided by law, provided however, that the hourly rate of compensation for any attorney used by the Parties, including in house counsel, shall be equal to the reasonable hourly rate for counsel practicing regularly in Wasco County, Oregon with expertise and experience comparable to the attorney who has performed work for the prevailing party. This provision shall cover costs and attorney fees related to or with respect to proceedings in Federal Bankruptcy Courts, including those related to issues unique to bankruptcy law.

8.9 **Choice of Law.** This Agreement shall be governed by Oregon law.

8.10 **Calculation of Time.** All periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the State of Oregon, except that if the last day of any period falls on any Saturday, Sunday or legal holiday, the period shall be extended to include the next day which is not a Saturday, Sunday or legal holiday.

8.11 **Construction.** In construing this Agreement, singular pronouns shall be taken to mean and include the plural and the masculine pronoun shall be taken to mean and include the feminine and the neuter, as the context may require.

8.12 **Legal Purpose.** Developer agrees that it shall use the Project Site solely for lawful purposes.

8.13 **Severability.** If any clause, sentence or any other portion of the terms and conditions of this Agreement becomes illegal, null or void for any reason, the remaining portions will remain in full force and effect to the fullest extent permitted by law.

8.14 **Entire Agreement.** This Agreement and the attachments hereto are the entire agreement between the Parties. There is no other oral or written agreement between the Parties with regard to this subject matter. There are no oral or written representations made by a Party, implied or express, other than those contained in this Agreement.

8.15 **Modifications.** Any modifications to this Agreement shall be made in writing and executed by both Parties. The Parties recognize that circumstances may change and that it may be in the interest of both Parties that Agreement be amended from time to time. For this reason, each of the Parties will consider changes that may be proposed by the other during the term of this Agreement. Agency Contract Manager may approve minor modifications to this Agreement without Agency Board approval. "Minor Modifications" include:

8.15.1 Changes in the Schedule of Performance when deemed warranted by the Agency Contract Manager which do not exceed ninety (90) days, excluding a change in the Final Termination Date; and

8.15.2 Corrections of errors, clarifications, or minor modifications that do not change the substantive content of the Agreement.

8.15.3 All other modifications to the Agreement must be approved by the Agency Board.

8.16 **Successors and Assigns.** Subject to the provisions of Section 7, the benefits conferred by this Agreement, and the obligations assumed thereunder, shall inure to the benefit of and bind the successors and assigns of the Parties.

8.17 **Place of Enforcement.** Any action or suit to enforce or construe any provision of this Agreement by any Party shall be brought in the Circuit Court of the State of Oregon for Wasco County, or the United States District Court for the District of Oregon in Portland, Oregon.

8.18 **No Partnership.** Nothing contained in this Agreement or any acts of the Parties hereby shall be deemed or construed by the Parties, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or any association between any of the Parties.

8.19 **Non-waiver of Government Rights.** Subject to the terms and conditions of this Agreement, by making this Agreement and delivery of the deeds, Agency is specifically not obligating itself, or any other agency with respect to any discretionary action relating to development or operation of the improvements to be constructed on the Project Site, including, but not limited to, rezoning,

variances, environmental clearances or any other governmental approvals which are or may be required, except as expressly set forth herein.

8.20 **Approvals.** Except as otherwise provided in this Agreement, where approvals of Agency are required, Agency will approve or disapprove within ten (10) business days after receipt of the material to be approved, except where a longer or shorter time period is specifically provided to the contrary. Failure by Agency to approve or disapprove within said period of time shall be deemed approval. Any disapproval shall state in writing the reasons for such disapproval. Approvals will not be unreasonably withheld, conditioned or delayed except where rights of approval are expressly reserved to Agency's sole discretion in this Agreement. Developer, upon receipt of such disapproval, shall revise such disapproved portions in a manner responsive to the stated reasons for disapproval and resubmit the same to Agency within forty-five (45) days after receipt of the notice of disapproval.

8.21 **Approval by Agency Contract Manager.** Unless specified to the contrary elsewhere in this Agreement as to a particular consent or approval, whenever consent or approval by Agency is required under the terms of this Agreement, all such consents or approvals shall be given in writing from the Agency Contract Manager, or from such other staff as the Agency Board has designated.

8.22 **Recording of Memorandum of Agreement.** Agency shall provide for recording a Memorandum of this Agreement within thirty (30) days of the Effective Date. The form of the Memorandum of Agreement is attached as Exhibit D to this Agreement. If the Agreement is terminated, the Parties shall cooperate to promptly record an Amended Memorandum of Agreement to reflect the surviving covenants of this Agreement.

Executed in multiple counterparts as of the day and year first above written.

**COLUMBIA GATEWAY URBAN RENEWAL  
AGENCY**

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

APPROVED AS TO FORM:

\_\_\_\_\_  
Agency Legal Counsel

\_\_\_\_\_  
Developer

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

APPROVED AS TO FORM:

\_\_\_\_\_  
Developer Legal Counsel

## **EXHIBITS**

- Exhibit A - Legal Description of the Project Site
- Exhibit B - Form of Warranty Deed
- Exhibit C - Quitclaim Deed and Escrow Instructions
- Exhibit D - Form of Memorandum of Agreement

**EXHIBIT A**  
**LEGAL DESCRIPTION OF THE PROJECT SITE**

**PARCEL 1**

Lots 4 and 5, Block 7, ORIGINAL DALLES CITY, in the City of The Dalles, County of Wasco and State of Oregon

**PARCEL 2**

Lot 3, Block 7, ORIGINAL DALLES CITY, in the City of The Dalles, County of Wasco and State of Oregon

## EXHIBIT B

**GRANTOR:**

Columbia Gateway Urban Renewal Agency  
313 Court Street  
The Dalles, OR 97058

**GRANTEE:**

David Benko  
6301 NE 124<sup>th</sup> St.  
Vancouver, WA 98686

**AFTER RECORDING  
PLEASE RETURN TO:**

City Clerk  
313 Court Street  
The Dalles, OR 97058

**UNTIL A CHANGE IS REQUESTED,  
SEND ALL TAX STATEMENTS TO:**

David Benko  
1554 NE 3<sup>rd</sup> Avenue, Suite 2  
Camas, WA 98607

## WARRANTY DEED

**THE COLUMBIA GATEWAY URBAN RENEWAL AGENCY**, a municipal corporation of the State of Oregon, Grantor, conveys and warrants to **DAVID BENKO**, Grantee, that certain real property located in Wasco County, Oregon, more particularly described as follows:

**PARCEL 1**

Lots 4 and 5, Block 7, ORIGINAL DALLES CITY, in the City of The Dalles, County of Wasco and State of Oregon;

**PARCEL 2**

Lot 3, Block 7, ORIGINAL DALLES CITY, in the City of The Dalles, County of Wasco and State of Oregon;

This conveyance is made pursuant to that Certain Agreement for Disposition of Property for Redevelopment located in Wasco County, between Grantor and Grantee, dated the \_\_\_ day of March, 2015, a Memorandum of which was recorded on the \_\_\_ day of \_\_\_\_\_, 2015, as Document No. \_\_\_\_\_.

This conveyance is subject to a condition subsequent that in the event Grantee commits an act of default pursuant to Section 7.3 of the Agreement, Grantor shall have the right to declare a termination in favor of the Grantor of the title by providing Grantee a Notice of Termination, of all the rights and interests of the Grantee in the real property described herein. Grantee shall reconvey the real property described in the Notice of Termination to Grantor by Quitclaim Deed, pursuant to the Escrow Instructions in Exhibit D to the Agreement for Disposition of Property and Redevelopment.

The true consideration for this conveyance is \$0; however, the true consideration reflects the fair reuse value for the real property as determined by Grantor in its discretion, as the price at which the real



**EXHIBIT C**

**FORM OF QUITCLAIM DEED AND ESCROW INSTRUCTIONS**

After recording return to and,  
until a change is requested,  
all tax statements shall be sent to:

Columbia Gateway Urban Renewal Agency  
313 Court Street  
The Dalles, OR 97058

**QUITCLAIM DEED**

\_\_\_\_\_, a \_\_\_\_\_ (“Grantor”), releases and  
quitclaims to the COLUMBIA GATEWAY URBAN RENEWAL AGENCY, as the duly designated  
Urban Renewal Agency of the City of The Dalles (which, together with any successor public agency  
designated by or pursuant to law, is herein called “Grantee”), all right, title and interest in and to the  
following described real property:

\_\_\_\_\_  
Other property or value was either part or the whole consideration.

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. THIS INSTRUMENT DOES NOT  
ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF  
APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING  
THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD  
CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO  
VERIFY 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 DETERMINE ANY LIMITS ON LAWSUITS  
AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, 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

IN WITNESS WHEREOF, Grantor has executed this instrument this \_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_, a \_\_\_\_\_

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

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

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

Accepted this \_\_\_ day of \_\_\_\_\_, 20\_\_.

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY**

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

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

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

STATE OF OREGON            )  
  ) ss.  
County of Wasco            )

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_, by  
\_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, a  
\_\_\_\_\_, on its behalf.

\_\_\_\_\_  
Notary Public for  
My commission expires: \_\_\_\_\_

STATE OF OREGON            )  
  ) ss.  
County of Wasco            )

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_, by  
\_\_\_\_\_, \_\_\_\_\_ of the COLUMBIA GATEWAY URBAN RENEWAL AGENCY, the  
duly designated urban renewal agency of the City of The Dalles, on its behalf.

\_\_\_\_\_  
Notary Public for  
My commission expires: \_\_\_\_\_

**EXHIBIT C (Continued)**

**ESCROW INSTRUCTIONS FOR QUITCLAIM DEED**

\_\_\_\_\_ Title Insurance Company

\_\_\_\_\_  
\_\_\_\_\_  
Attention: [INSERT TITLE OFFICER]

Re: Escrow No. \_\_\_\_\_

\_\_\_\_\_, a \_\_\_\_\_ (“Developer”), has entered into that certain Agreement for Disposition of Property for Redevelopment (“DDA”) with the Columbia Gateway Urban Renewal Agency (“Agency”) dated as of \_\_\_\_\_, 20\_\_, a Memorandum of which was recorded \_\_\_\_\_, 20\_\_ as Document No. \_\_\_\_\_, Records of Wasco County, Oregon, whereby Agency will convey to the Developer or its assignees certain real property (the “Property”). The Property is the subject of this escrow and is described in the accompanying quitclaim deed (“Quitclaim Deed”).

Section \_\_\_\_ of the DDA provides that, under certain circumstances, Agency is entitled to reconveyance of the Property pursuant to a Quitclaim Deed and Escrow Instructions. This document constitutes those escrow instructions and is for the purpose of irrevocably instructing you as to the disposition of the accompanying Quitclaim Deed.

In the event that you receive from Agency a notice signed by Agency’s \_\_\_\_\_ certifying that a copy of said notice has been delivered concurrently to Developer and certifying that a termination in favor of Agency of the title, and of all of the rights and interest of Developer in the Property has occurred, and that rights to the Property described in the Quitclaim Deed have reverted in Agency pursuant to the DDA (“Notice of Termination”), you shall at the end of thirty (30) days after receipt of said instructions record the subject Quitclaim Deed unless within said thirty (30) day period, you are notified by Agency that Agency has withdrawn the Notice of Termination, or unless you are prohibited from recording the Quitclaim Deed by temporary restraining order, preliminary injunction, or other court order.

In the event that you receive a copy of a Certificate of Completion issued by Agency with respect to the Property, or any specified Parcel thereof (either an original or one certified by Agency as being a duplicate of the original), you will forthwith return the Quitclaim Deed to Developer. In the event that there still remains in your possession an undisposed Quitclaim Deed by [insert date twenty four (24) months after execution of the DDA] you shall contact Agency and Developer as to its disposition.

These instructions may not be withdrawn or in any way amended, modified or waived without the prior written consent of both of the parties hereto. Please indicate your acceptance of and agreement to carry out these instructions as indicated below.

Very truly yours,

\_\_\_\_\_, a \_\_\_\_\_

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

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

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

Very truly yours,

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY**

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

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

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

Accepted and agreed to this

\_\_\_ day of \_\_\_\_\_, 20\_\_\_

\_\_\_\_\_, Title Insurance Company

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

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

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

**EXHIBIT D**  
**FORM OF MEMORANDUM OF AGREEMENT**

**After recording return to:**

Mr. Gene Parker  
City Attorney  
City of The Dalles  
313 Court Street  
The Dalles, OR 97058

**Form of Memorandum of Agreement for Disposition for Development**

THIS MEMORANDUM OF AGREEMENT FOR DISPOSITION OF PROPERTY FOR DEVELOPMENT (“Memorandum”) shall serve as notice to all persons that the **COLUMBIA GATEWAY URBAN RENEWAL AGENCY**, (“Agency”), and **DAVID BENKO**, (“Developer”), entered into an **AGREEMENT FOR DISPOSITION OF PROPERTY FOR REDEVELOPMENT**, dated as of \_\_\_\_\_, 2015 (“Agreement”) relating to the real property (“Property”) to be conveyed by the Agency located in Wasco County, Oregon. The Property is more particularly described as:

Parcel 1: Lots 4 and 5, Block 7, ORIGINAL DALLES CITY, in the City of The Dalles, County of Wasco and State of Oregon

Parcel 2: Lot 3, Block 7, ORIGINAL DALLES CITY, in the City of The Dalles, County of Wasco and State of Oregon

The parties to the Agreement are:

**Columbia Gateway Urban Renewal Agency**  
**313 Court Street**  
**The Dalles, OR 97058**

and

**David Benko**  
**6301 NE 124<sup>th</sup> St.**  
**Vancouver, WA 98686**

Among other things, the Agreement requires the Agency to convey the Property to Developer upon the satisfaction of certain conditions precedent, and requires Developer to complete certain private improvements on the Property all as more particularly set forth in the Agreement (the “Project”). Other property or value was part of the whole consideration given for the Property conveyance referenced herein.

As a condition subsequent to the Property conveyance, in the event of a default by Developer as defined in Section 7.3 of the Agreement, the Agency shall have the option to declare a termination in favor of the Agency of all the title, rights and interests of Developer in the Property. Upon such declaration of termination, Developer’s title, right and interest in the Property, shall revert to the Agency.

Agency and Developer execute this Memorandum to acknowledge being bound by the Agreement and to give notice of the Agreement to third parties.

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY:**

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

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

**BUYER:**

\_\_\_\_\_

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

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

STATE OF OREGON            )  
  ) ss.  
COUNTY OF WASCO        )

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, \_\_\_\_\_ of the COLUMBIA GATEWAY URBAN RENEWAL AGENCY.

\_\_\_\_\_  
Notary Public for  
My commission expires: \_\_\_\_\_

STATE OF OREGON            )  
  ) ss.  
COUNTY OF WASCO        )

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, as his voluntary act and deed.

\_\_\_\_\_  
Notary Public for  
My commission expires: \_\_\_\_\_