ALBANY REVITALIZATION AGENCY

# AGENDA

**Thursday, December 03, 2026**
**5:00 p.m.**
Calapooia Room, City Hall
333 Broadalbin Street SW
ARA Zoom link for public participation: https://albanyoregon.gov/council/groups/ara/zoom,
253-215-8782, Meeting ID: 893 9379 2719, Passcode: 12379

Please help us get Albany's work done.
Be respectful and refer to the rules of conduct posted by the main door to the Chambers and on the website.

1. Call to Order
2. Roll Call
3. Public Comment

   1. Email written comments to cityrecorder@albanyoregon.gov, including your name before noon on the day of the meeting.

   2- To comment virtually during the meeting, register by cityrecorder@albanyoregon.gov before noon on the day of the meeting, with your name. The chair will call upon those who have registered to speak.

   3- Appear in person at the meeting and register to speak.

   **Scheduled Business**
4. Wells Fargo Property Option Agreement Status and Direction

5. Next Meeting Date: TBD
6. Adjournment

*This meeting is accessible to the public via video connection. The location for in-person attendance is accessible to people with disabilities. If you have a disability that requires accommodation, please notify city staff at least 48 hours in advance of the meeting at: cityrecorder@albanyoregon.gov or call 541-917-7532.*

*Testimony provided at the meeting is part of the public record. Meetings are recorded, capturing both in-person and virtual participation, and are posted on the City website.*

**CITY OF ALBANY, OREGON**
albanyoregon.gov

# MEMO

TO: Albany Revitalization Agency

FROM: Community Development Department

DATE: December 03, 2026, Albany Revitalization Agency Meeting

**SUBJECT:** Wells Fargo Property Option Agreement Status and Direction

## Purpose:

Provide direction regarding the future of the Wells Fargo property and the existing Option Agreement with Mr. Lepman

## Background:

The ARA previously entered into an Option Agreement with Mr. Lepman for redevelopment of the former Wells Fargo property (attached). The Agency subsequently extended the deadline for the required Development Agreement to align with the deadline to exercise the Option Agreement.

The current deadline to execute a Development Agreement and exercise the Option Agreement is **November 30, 2026**.

## Discussion:

Staff will provide a brief update on the status of the Option Agreement and Development Agreement. Followed by Mr. Lepman, who will provide an update on the project.

## Attachments:

1. Option Agreement

**OPTION AGREEMENT**
**AND**
**AGREEMENT OF PURCHASE AND SALE**

| | | |
|---|---|---|
| DATE: | May 29, 2025 | ("Effective Date") |
| FROM: | Albany Revitalization Agency | ("Owner") |
| TO: | Sable Drive LLC, an Oregon Limited Liability Corporation | ("Optionee") |

**RECITALS**

Owner owns fee simple title to the Real Property, subject to the leasehold interest of Optionee for parking for the St. Francis, as described in Exhibit A attached hereto, together with all improvements situated on it. The real property, without improvements, together with all other rights, hereditaments, and tenements appurtenant to the real property are collectively referred to herein as the "Property."

Optionee desires to acquire an option to purchase the Property on the terms and conditions herein stated.

Owner has agreed to grant Optionee an exclusive option to purchase the Property, and the parties desire to evidence their agreement regarding the option.

The redevelopment of the Wells Fargo site requires the cooperation of both the Owner and Optionee. This project has a variety of financial, market and regulatory risks and requires the Owner's resourcefulness and creativity to be helpful and fair. Optionee has successfully redeveloped more historic buildings than other sponsor recently and has six additional sites planned for multistory developments in downtown Albany. Development of these sites will likely depend on how the City of Albany and our team can work together on the Wells Fargo site. This will require the active teamwork of the Owner and Optionee with critical consideration of the development concerns listed below. This helpfulness and fairness must be judged by Optionee since Optionee will be inviting Optionee's businesses, family members, lenders and insurers to participate, at risk, in investing in this property.

The parties therefore agree as follows:

## AGREEMENT

### Section 1. Grant of Option

Owner, in consideration of the sum of $3,500.00 per month paid to Owner by Optionee in cash (the "Option Money Payment"), receipt of which is acknowledged by Owner, grants to Optionee the sole and exclusive option to purchase the Property (the "Option") in the manner and for the price stated in this Agreement. Option payments shall be made to Owner at the Owner's address provided in Section 17, or at such other place that Owner may direct in writing.

### Section 2. Option Term

**2.1 Term.** The term of the Option (the "Term") commences on the Effective Date and will continue until 5:00 p.m. on the date which is eighteen (18) months from Effective Date. If the last day of the Term falls on a Saturday, a Sunday, or a holiday recognized by the federal government or the state of Oregon, all of Optionee's rights during such time period will extend through the next business day. The Term may be extended during permit review process at the same monthly rate as described in Section 1 if agreed upon by all parties. Term and any extensions will count towards total development timeline as approved by Albany Revitalization Agency.

**2.2 Exercise of Option.** The Option must be exercised by written notice (the "Exercise Notice") given by Optionee to Owner at any time during the Term stating that Optionee has elected to exercise the Option. Upon exercise of the Option, all further Option Money Payments will cease, Optionee shall be obligated to purchase all Property for which Optionee exercised the Option from Owner, and Owner will be obligated to sell all Property for which Optionee exercised the Option to Optionee, for the price and in the manner herein set forth.

**2.3 Failure to Exercise Option.** If Optionee fails for any reason to exercise the Option in the manner set forth herein, Optionee will have no further claim against or interest in the Property or the Option Money Payment, except as specifically provided in this Agreement. In the event of the failure to exercise the Option, Optionee will provide Owner with any instruments that Owner reasonably deems necessary for the purpose of removing from the public record any cloud on title to the Property that is attributable to the grant or existence of this Option.

**Section 3. Option Money**

Optionee has paid to Owner the Option Money Payment for Owner's grant of the Option. No other Option Money Payment is due or payable during the Term. If the Option is exercised and the Property is acquired by Optionee, then the Option Money Payment paid by Optionee will be credited against the Purchase Price at Closing. If the Option is not exercised and the Property is not acquired by Optionee, then the Option Money Payment paid by Optionee will not be refunded by Owner to Optionee, but shall be retained in full by Owner, except as specifically provided in this Agreement.

**Section 4. Intentionally Left Blank**

**Section 5. Purchase Price**

**5.1 Purchase Price.** The purchase price for the Property (the "Purchase Price") will be as follows:

**LINN COUNTY PARCEL - 11S-03W-06CC, TAX LOT 06900; VALUE – $310,000**

**5.2 Payment of Purchase Price.** The purchase price for the Property will be payable as follows:

**5.2.1** The entire balance of the Purchase Price will be paid in cash at closing.

**Section 6. Remedies**

**6.1 Optionee.** If Owner breaches any term or provision of this Agreement, then Optionee, as its exclusive remedy and in lieu of any other relief, may either (1) terminate this Agreement and obtain the return of the Option Money Payment previously paid to Owner and reimbursement by Owner in full for all out-of-pocket costs incurred by Optionee during the Term in connection with the Property (the "Optionee Costs"), up to a maximum of $150,000 (the "Reimbursement Cap"), or (2) tender performance of the obligations of Optionee and specifically enforce all obligations of Owner under this Agreement. Except as provided in this Section 6.1, Section 6.3 and any specific remedies reserved elsewhere in this Agreement, Optionee waives the right to pursue any remedy in law or equity against Owner. If Optionee elects (1) above, Optionee shall provide copies of any Reports (as defined below) not already provided to Owner within 30 days after the Optionee Costs are reimbursed.

**6.2 Owner.** If Optionee breaches any term or provision of this Agreement, and regardless of whether the breach occurs before or after Optionee notifies Owner of the exercise

of the Option, then Owner, may, after providing to Optionee written notice and a 30-day opportunity to cure, either (1) terminate this Agreement by giving Optionee written notice of termination and retain the Option Money Payment paid by Optionee, or (2) tender performance of the obligations of Owner and specifically enforce all obligations of Optionee under this Agreement and retain the Option Money Payment. Except as provided in this Section 6.2, Section 6.3 and any specific remedies reserved elsewhere in this Agreement, Owner waives the right to pursue any remedy in law or equity against Optionee.

**6.3 Other Remedies.** The limitations on remedies set forth in this Section 6 do not apply to any cause of action accruing after Closing or preclude either party from seeking or obtaining injunctive relief or from seeking recovery against the other party under any contractual indemnity set forth herein, or for causing physical damage or injury to persons or the Property and/or Personal Property.

**Section 7. Conditions Precedent to Closing; Inspection.**

**7.1 Conditions for Benefit of Optionee.** Owner agrees to the following conditions of closing for the benefit of Optionee:

1) Optionee's due diligence will be completed during Option Term.
2) Provide any other documentation applicable to the due diligence related to development of the property and to estimated city planning, building and public works fees, along with anticipated public improvement requirements.
3) This property is an infill property. Optionee must determine feasibility which includes costs associated with this project, which includes evaluating the costs of all fees, SDCs, offsite improvements, or other regulatory costs which financially affect this project. Optionee has expanded the scope of the project to include additional housing and underground or above ground parking. However, three sets of preliminary revised plans have been included with this Option to assist the Owner in estimating city permitting fees, SDCs, and potential public improvements to be used by the Optionee's due diligence period. It should be noted city fees are subject to change through action of the City Council, including but not limited to annual inflationary increases.
4) Owner provides Optionee with the right/authorization to submit land use applications, building permits, public works permits, and associated permits and other necessary applications for the project during this Option Term and prior to closing, including but not limited to tree removal, site preparation and grading/excavating
5) Closing shall be conditioned on permits for this development ready to be issued or issued.

6) Owner shall provide Optionee with documentation of any improvements made to the property after Owner's acquisition/purchase, together with copies of any engineering for structured fill place on the property. Provide Optionee all documents and reports of due diligence related to Owner's purchase of this property These documents will not be relied upon by the Optionee but intended to assist the Optionee's third party consultants' review of this property and Lender's comfort with financing this property.
7) Assist Optionee in regulatory processes and provide timely response and actions. The owner will assist Optionee to be sure the staff provides helpful, courteous and timely assistance to help the Optionee. The Owner will assist Optionee by providing turnaround of applications, submittals, review of planning, civil, structural and architectural plans with a target review turnaround for building permit related items within 21 days . The Owner requires a review of development and Optionee will provide a preliminary plan set limited to elevations and floor plans for Owners Aesthetic review. To expedite regulatory processes, Optionee will provide Owner with elevations and floor plans to review prior to a complete plan set being completed by Optionee.
8) During the Term, continue work on a MUPTE program that could be utilized by this development if adopted by council and deemed a qualifying development. The MUPTE program is essential to this project's development and Owner will be diligent in pursuing the MUPTE program that has the following minimum requirements prior to the end of the Option Term: 1) Must include the Property 2) Must provide a benefit to qualifying sponsors in this area for 5 years; 3) Must not restrict sponsors who develop market rate housing. 4) If alternative tax abatement incentives are available with similar benefits, Owner will cooperate with Optionee to secure these benefits. The Owner cannot and does not guarantee the creation of the MUPTE program or qualification of the Optionee for other incentive-based alternatives/programs
9) Review proposed System Development Charge credits. The SDC credits available for this project only reflect the last development of the property consistent with State Law and the Albany Development Code. To fairly and properly determine the SDC credits calculation related to this project, Owner will consider all prior qualifying developments and total cost of SDCs will be recalculated to verify historical accuracy. If project is still burdened by SDCs or other Fees, the parties will negotiate the terms of the Development Agreement in good faith, consistent with state law and local ordinances, to allow Optionee to finance or defer (if deferral options exist) such financial costs and/or obtain bank financing for such costs.
10) Consider options for alley and other needed public infrastructure repair or replacement adjacent to the Property. Any such options that require City or ARA funds are subject to City Council and/or ARA Board approval.

11) Re-evaluate payment schedule for existing Opera House project grant. (222 1st Ave SE, APN 11S03W06CD05000) Any change in payment schedule will be subject to ARA Board approval.
12) Allow temporary staging use at 100 Ferry Street NW for any rock or structured fill generated on the Wells Fargo site to be placed on the property at 100 Ferry Street, Albany, Oregon or Optionee's waterfront property next to the Wheelhouse, subject to any required permits.
13) Owners proposed subsequent Development Agreement must not burden Property or Optionee with requirements that increase project costs or extend project completion, beyond those requirements of land use applications, infrastructure requirements, and any required permitting and associated requirements. Optionee understands that Owner needs to review proposed development plan and welcomes Owner's opinions of proposed development which Optionee will consider but will not be obligated or compelled to follow. Any subsequent Development Agreement, which may be negotiated between Owner and Optionee by the parties will be limited to design and aesthetic considerations and not items that affect project cost or the financial function of the property, beyond those requirements of land use applications, infrastructure requirements, and any required permitting and associated requirements.
14) Cooperate with Optionee's potential 1031 exchange.
15) Assist Optionee team in obtaining all City of Albany departments cooperation to assist Optionees' team to timely construction of this project.
16) On the Closing Date, the Title Company (defined below) will be ready, willing, and able to issue, and will issue to Optionee on recordation of the Owner's deed mentioned below, the title insurance policy required by Section 9.5.
17) The terms of this agreement will remain private unless it is deemed to be a public record subject to disclosure under applicable law.
18) Optionee reserves the right to appeal any Condition of Approval, Fee, SDC, Planning Requirement or other regulatory requirement related to State of Oregon Law or the Albany Development Code.

On or before the Closing Date, Owner will have performed all the covenants, conditions, agreements, and promises to be performed by it under this Agreement

**7.2 Conditions for Benefit of Owner.**

Optionee agrees to the following conditions of closing for the benefit of Owner:

1) Complete design, engineering, and land use processes and approvals.
2) Enter into a development agreement within 1 year from the date of this agreement.

3) Optionee will immediately engage civil engineer, architect, structural engineer and other design professionals to obtain needed documents necessary plans for permitting.
4) Develop cost estimates for the proposed project.
5) Engage with financial partners to line up a financing package for the project. Enter into a subsequent Development Agreement with ARA with the following terms:
    - allow ARA reasonable input regarding aesthetics;
    - require completion of the project within a reasonable construction timeline, consistent with ARA direction, after consideration of the size and scope of the project.
    - The Development Agreement will not bind Optionee or place restrictions or encumbrances on the Property extending more than 2 years after the issuance of a final certificate of occupancy for the Property.

**7.3 Failure of Conditions.**

**7.3.1 Permanent Failure.** The conditions in Section 7.1 above are conditions precedent for the benefit of Optionee (the "Conditions"). The Conditions are intended solely for the benefit of Optionee and Optionee will have the right to waive, by written notice, any of the Conditions, at its sole discretion; giving the Exercise Notice will not constitute such a waiver. If any of the Conditions is not satisfied or waived on or before the Closing Date or other deadline for satisfaction specified herein, then Optionee will have the right to terminate this Agreement, at its sole election, by giving Owner notice of termination before the deadline expires, and to exercise any remedy available to Optionee if the subject Condition was not satisfied by reason of a breach of this Agreement by Owner. In the event Optionee provides notice to terminate this Agreement due to failure of a Condition, then the Option Money Payment shall be retained by Owner and shall not be refunded to Optionee, except as expressly provided in this Agreement. If Optionee reasonably believes that Owner will be unable to satisfy the conditions provided in Section 7.1 by the end of the Term, Optionee may send Owner a 30-day Notice of Intent to Terminate describing the failed conditions. Optionee's Option Money Payment obligations will be suspended from the date of the Notice until Owner provides reasonable assurances that all of the conditions will be satisfied. If Owner provides reasonable assurances, such suspension period will be accounted for as a Temporary Failure in accordance with Section 7.3.2, below. If Owner does not provide reasonable assurances, this Agreement will be terminated at the end of the 30-day Notice period.

**7.3.2 Temporary Failure.** To the extent that the satisfaction of the Conditions require Optionee to submit any application, request, or other document to the City of Albany or the Owner which requires the approval of the City of Albany or the Owner and a final approval or denial is not received by the shorter of 30 days or the time required under the ordinances or policies of the City of Albany or the Owner such delay will constitute a temporary failure of the Conditions ("Temporary Failure"). Upon the occurrence of a Temporary Failure, Optionee's

obligation to make the Option Money Payments will be suspended until the Temporary Failure has been corrected. The suspension will be accounted for in whole months, each having 30 days, rounded up to the next whole month for any period of less than thirty days. The Term of this Agreement will be tolled during any suspension period and upon correction of the Temporary Failure, the Term will be extended by the number of suspended months. Temporary Failure does not apply to any required permits, land use applications, or any other required approvals related to the development proposal, including any state, federal, or other applicable jurisdictional permits/approvals.

**7.4 Inspection Disclaimer.** The following list identifies some, but not all, environmental conditions that may be found in and around the Property that may affect health: Asbestos, carbon monoxide, electric and magnetic fields, formaldehyde, lead and other contaminants in drinking water and well water, lead based paint, mold and mildew, radon, and leaking underground storage tanks. If Optionee has any concerns about these conditions or others, Optionee is encouraged to secure the services of a licensed professional inspector, consultant, or health expert, for information and guidance. Optionee understands that it is advisable to have a complete inspection of the Property by qualified licensed professional(s) relating to such matters as structural condition, soil condition/compaction/stability, environmental issues, survey, zoning, operating systems, and suitability for Optionee's intended purpose.

**7.5 Inspection Reports.** Optionee, at its expense, may have the Property and all elements and systems thereof inspected by one or more licensed professionals of Optionee's choice that may include testing and/or removal of any portion of the Property including, testing for radon, mold, soils, surveying, pot holing for infrastructure, environmental concerns or any other required inspections required by lender. This testing may also include surrounding public property. Optionee understands that Optionee is responsible for the restoration of the Property following any such inspection(s) and test(s) performed by Optionee, or on Optionee's behalf. Optionee shall have the entire Term in which to complete all inspections and testing. Optionee shall provide, free of charge, to Owner, complete copies of all inspection and test reports ("Reports") promptly, and within ten days after receipt of any such Reports. In the event any remediation or other work is recommended to be undertaken and completed pursuant to any such Reports, neither Owner nor Optionee shall have any legal obligation to pay for any such remediation work. If Optionee provides the Exercise Notice, Optionee shall be deemed to have accepted the condition of the Property.

## Section 8. Title

Within 15 days following the Effective Date, Owner will deliver to Optionee, at Owner's expense, a preliminary title report (the "Title Report") covering the Property. The Title Report will be issued by the Title Company (defined in Section 9.1). The Title Report will be accompanied by legible copies of all plats and exceptions to title referenced in the Title Report (the "Exceptions"). Within 60 days of receiving the Title Report and the Exceptions, Optionee will give

written notice (the "Initial Notice") to Owner of the Exceptions that Optionee will require Owner to remove of record at or before Closing (the "Unacceptable Exceptions"). If Optionee fails to give Owner the Initial Notice, then Optionee will be deemed to have approved the Title Report. Owner has 10 days following receipt of the Initial Notice to give written notice (the "Reply Notice") to Optionee of those Unacceptable Exceptions that Owner concludes, in good faith, that Owner cannot or will not remove at or before Closing. Owner will not have any obligation to institute litigation or spend any sum of money to cure or remove any Exceptions, but Owner will be obligated to remove, at or before Closing, any Exception created or suffered to be created by Owner that is security for payment of a sum of money (including mortgages, deeds of trust, tax liens, contractor's liens, and judgment liens) and any Exception created, or suffered to be created, by Owner after the Effective Date. Owner agrees to remove all Unacceptable Exceptions not referenced in a duly given Reply Notice. If one or more of the Unacceptable Exceptions cannot be removed at or before Closing and Owner so states in a duly given Reply Notice, then Optionee may exercise any of the following rights by giving written notice to Owner within 15 days of receiving the Reply Notice: (1) Optionee may terminate this Agreement, in which event the Option Money Payments will be refunded to Optionee and neither party will have any further liability, (2) Optionee may accept title to the Property subject to the Unacceptable Exceptions, or (3) Optionee may attempt to cure the Unacceptable Exceptions or any of them without cost or liability to Owner (but Owner will be obligated to cooperate with the cure efforts and to join in the execution of any curative instruments that will operate to remove the Unacceptable Exceptions). The foregoing rights of Optionee will not be deemed waived by giving the Exercise Notice. Exceptions that are shown on the Title Report and to which Optionee does not object or to which Optionee agrees, in writing, to waive objection, are referred herein to as the "Permitted Exceptions."

Owner will not cause, permit, or suffer any matter to be recorded with respect to the Property during the Term, except (1) the Memorandum referenced in Section 15 and (2) any other matter that Optionee approves, in writing and at its sole discretion, before recordation.

**Section 9. Closing**

**9.1 Time and Place.** Closing of the sale and purchase of the Property (the "Closing") will occur on a date selected by Optionee, but in all events the Closing will occur within**90** days after the date that the Exercise Notice is given (the date the Closing actually occurs, the "Closing Date"). The escrow for the Closing will be established at the office of Ticor Title Willamette Valley (the "Title Company"), at 220 6th Ave SW Suite 100, Albany, OR 97321.

**9.2 Closing Obligations.** On the Closing Date, Owner and Optionee will deposit the following documents and funds in escrow, and the Title Company will close escrow in accordance with the instructions of Owner and Optionee.

**9.2.1** Owner will deposit the following:

(1) The conveyance documents described in Section 10, duly executed and acknowledged;

(2) A duly executed affidavit certifying that Owner is not a foreign person, trust, partnership, or corporation in compliance with the requirements of IRC §1445(b);

(3) Original counterparts or legible photocopies of all documents, feasibility studies, surveys, engineering reports, and other items of a similar nature, if any, in the possession of Owner that relate to the Property;

(4) Such documents as Optionee or the Title Company may require to evidence the authority of Owner to consummate this transaction; and

(5) Such other documents and funds, including (without limitation) escrow instructions, that are required of Owner to close the sale in accordance with this Agreement.

**9.2.2** Optionee will deposit the following:

(1) The cash payment specified in Section 5, minus any credits due Optionee under the terms of this Agreement;

(2) Any documents that Owner or the Title Company may require to evidence the authority of Optionee to consummate the transaction contemplated; and

(3) Any other documents and funds, including (without limitation) escrow instructions, that are required of Optionee to close the sale and purchase of the Property in accordance with this Agreement.

**9.3 Escrow Fees, Premium for Title Insurance Policy; and Recording Fee.** Optionee and Owner shall each pay one-half of the escrow fee of the Title Company with respect to the Closing. Owner shall pay the premium for the standard owner's title insurance policy with the limit of liability equal to the Purchase Price. In the event Optionee wishes to purchase an extended or other form of policy of title insurance, then Optionee shall be obligated to pay the additional premium to the Title Company to purchase such policy. Optionee will pay the fee for recording the conveyance documents referred to herein.

**9.4 Prorations and Adjustments.** All items of expense incurred by Owner with respect to the Property will be paid by Owner at Closing, without proration. All real property taxes and assessments payable with respect to the tax year in which Closing occurs will be prorated between Owner and Optionee as of the Closing Date. The Optionee Costs will be credited against the Purchase Price at Closing.

**9.5 Title Insurance Policies.** As soon as practicable after Closing, and in any event no later than **30** days after the Closing Date, Owner will cause the Title Company to issue its standard

form Owner's ALTA Title Insurance Policy, in the amount of the Purchase Price, insuring fee simple title to the Property is vested in Optionee, subject only to the Permitted Exceptions and the standard printed exceptions.

**Section 10. Conveyance**

At the Closing, Owner will execute, acknowledge, and deliver to Optionee a Statutory Warranty Deed conveying the Property to Optionee, subject only to the Permitted Exceptions.

**Section 11. Access to Property**

**11.1 Access.** Owner grants to Optionee and its agents the right to enter on the Property at any reasonable times (and upon 48 hours notice to Owner) before the Closing Date for the purpose of conducting tests or studies that Optionee may deem necessary or appropriate in connection with its acquisition of the Property. Owner shall cooperate with Optionee in conducting all tests and studies; provided, that Owner shall have no obligation to pay for any such tests, studies, reports or other investigation of the Property. No soil tests or drilling shall be undertaken without first obtaining Owner's approval with respect to the agents retained to perform the work and the location and purpose of the tests or drilling. Optionee will not interfere with or disturb the rights of any tenants of Owner in possession of any portion of the Property, without Owner's consent. Optionee will protect, defend, and hold Owner harmless from any loss, liability, or damage to persons or property arising out of or related to Optionee's activities on the Property. If Optionee fails to exercise the Option and purchase the Property, Optionee will fully compensate Owner for any physical damage to the Property or any lien, encumbrance, or charge on it attributable to Optionee's activities under this paragraph. If Optionee fails to exercise the Option, Optionee will deliver to Owner a legible copy of any reports, studies, and drawings owned by Optionee that relate to the Property.

**11.2 Approvals.** Optionee has the right to apply for and obtain any governmental approvals to use and develop the Property as Optionee may desire. Owner will assist and cooperate with Optionee in obtaining any such approvals. Such cooperation includes signing all applications and other documents requested by Optionee that may be reasonably related to such matters, as long as Owner approves the form and substance of all such documents. All costs and expenses incurred with respect to such approvals will be paid for by Optionee. Owner's participation in approvals/permit (development) is limited to signing authority as the property owner, authorizing the Optionee to submit and seek approvals. Owners' participation does not constitute, nor shall it be construed as any form of development approval, nor provide any deviation from the standard review and approval process afforded to any applicant in the City's processes for development. Applications shall be approved or denied based on the merits of the application(s) submitted by the Optionee.

**Section 12. Covenants of Owner**

**12.1 Personal Property.** Owner acknowledges that it will remove its Personal Property located on the Property on or before the Closing Date.

**12.2 Ownership.** During the Term, Owner will not sell, contract to sell, assign or otherwise transfer the Property, or any part of it, nor grant an option to any third party to acquire all or any portion of the Property; provided, however, that Owner shall be permitted to lease any portion of the Property to a third-party tenant, and if the Optionee exercises its Option and completes the Closing of the purchase of the Property, then such leases shall terminate as of the completion of the Closing. Owner agrees to be solely responsible for the removal of any tenant referenced herein.

**12.3 Risk of Loss.** Owner bears the risk of all loss or damage to the Property from all causes through the Closing Date. If, before the Closing Date, and regardless of whether the Exercise Notice has yet been given or is subsequently given, all or part of the Property is damaged by fire or by any other cause of any nature, or if all or any portion of the Property is taken by condemnation, or if any condemnation is threatened, Owner must give Optionee written notice of such event. Optionee may terminate this Agreement by giving written notice to Owner within 30 days after receipt by Optionee of written notice from Owner of such casualty or condemnation, and Owner will return to Optionee the Option-Money Payment previously paid and reimburse Optionee in full for the Optionee Costs. If Optionee does not elect to terminate this Agreement, then this Agreement will continue in force and, if Optionee exercises the Option and the Property is conveyed to Optionee, all interest of Owner in and to any insurance proceeds or condemnation awards that may be payable to Owner on account of the casualty or condemnation will be assigned to Optionee at Closing.

**Section 13. Warranties and Representations of Owner**

**13.1 Litigation; Law.** There is no litigation, arbitration, or administrative hearing pending before any governmental authority that concerns or affects the Property or any portion of it and, to the knowledge of Owner, no such proceeding is threatened. To the knowledge of Owner, the Property complies with all laws, ordinances, and governmental approvals and decisions that relate to it.

**13.2 Hazardous Substances.** For purposes of this subsection, the phrase "Hazardous Substances" has the same meaning attributed to it in ORS 465.200(16). Owner warrants, represents, and covenants as follows:

(1) To the knowledge of Owner, there are no Hazardous Substances in, on, or buried on or beneath the Property, and no Hazardous Substances have been emitted or released from the Property in violation of any applicable laws;

(2) To the knowledge of Owner, Owner has not brought onto, stored on, buried on, used on, emitted or released from, or allowed to be brought onto, stored on, buried on, used on, or emitted or released from, the Property any Hazardous Substances in violation of any applicable environmental laws; and

(3) To the knowledge of Owner, no underground storage tanks are located on the Property, including (without limitation) any storage tanks that contain, or previously contained, any Hazardous Substances, and Owner agrees not to cause or permit any such tanks to be installed in the Property before Closing.

As used herein, the phrase "to the knowledge of Owner" or any variation of that phrase refers to matters within the actual knowledge of Owner.

**13.3 Status of Owner.** Owner is not a foreign person, foreign partnership, foreign corporation, or foreign trust, as those terms are defined in IRC §1445.

**13.4 Breach of Agreements.** Neither the execution of this Agreement, nor the execution, delivery, or recordation of any document or agreement referenced herein, nor the exercise of the Option and closing of the transaction contemplated herein, constitutes or will constitute a default under any other agreement or contract that relates to the Property or to which Owner is a party.

**13.5 Authority.** No consents, documents, or approvals that have not been obtained are necessary to the effectiveness of the grant of the Option by Owner.

**13.6 Contracts and Leases.** There are no lease agreements, maintenance contracts, service agreements, or other contracts of any nature that pertain to, cover, or affect the Property or any part of it, which will not expire or be terminated on or before the date of Closing; provided, however, that in the event there is any existing lease agreement(s), which are approved by the Optionee and which the Optionee is willing to receive an assignment and assume the duties and obligations of the Owner, then any such lease agreements will be permitted to survive the Closing.

**Section 14. Recording.**

On the Effective Date, Owner will execute, acknowledge, and deliver to Optionee a Memorandum in the form attached as Exhibit B. If Optionee fails to exercise the Option before the Term expires, Optionee will execute, acknowledge, and deliver to Owner a statutory quitclaim deed releasing any interest in the Property.

**Section 15. Waiver**

Failure by Owner or Optionee to enforce any right under this Agreement will not be deemed to be a waiver of that right or of any other right.

**Section 16. Successors and Assigns**

Subject to the limitations on Owner's right to convey the Property set forth elsewhere herein, the terms, covenants, and conditions herein contained are binding on and inure to the benefit of the heirs, successors, and assigns of Owner and Optionee. Optionee may not assign its interest in this Option Agreement and the Property to any person or entity, without the consent of Owner; provided that Optionee may assign this Agreement to any entity directly or indirectly controlled by, controlling or under common control with Optionee without Owner's consent. If Scott Lepman dies before Closing, Optionee may terminate this Agreement and Owner shall retain all Option Money.

**Section 17. Notices**

All notices required or permitted to be given will be in writing and will be deemed given and received on personal service or two business days after deposit in the United States Mail, certified or registered mail, postage prepaid, return receipt requested, addressed as follows:

To Owner: Albany Revitalization Agency
333 Broadalbin Street SW
Albany, OR 97321

With a Copy To: M. Sean Kidd
City Attorney
260 Ferry Street SW, Suite 202
Albany, OR 97321

To Optionee: Sable Drive, LLC.
100 Ferry Street NW
Albany, Oregon 97321

With a Copy To: Scott Cowgill
Weatherford Thompson, LLC
P.O. Box 667
Albany, OR 97321

The foregoing addresses may be changed by written notice, given in the same manner. Notice given in any manner other than the manner set forth above will be effective when received by the party for whom it is intended.

**Section 18. Attorney Fees**

If litigation is instituted with respect to this Agreement (including any litigation undertaken in the context of bankruptcy proceedings), the prevailing party will be entitled to recover from the losing party, in addition to all other sums and allowable costs, its reasonable attorney fees, both in preparation for and at trial and any appeal or review, the amount to be set by the court before which the matter is heard.

**Section 19. Real Estate Commission**

Each party agrees to pay any commission or finder's fees that may be due on account of this transaction to any broker or finder employed by it and to indemnify the other party against any claims for commissions or fees asserted by any broker claiming by, through, or under the indemnifying party.

**Section 20. Integration, Modification, or Amendments**

This Agreement contains the entire agreement of the parties with respect to the Property and supersedes all prior written and oral negotiations and agreements with respect to the Property. Any modifications, changes, additions, or deletions to this Agreement must be approved by Owner and Optionee, in writing.

**Section 21. Representation**

Owner and Optionee have each been represented by separate legal counsel of choice with respect to this transaction. Except as otherwise provided in Section 19, each party will be responsible for all attorney fees incurred by it with respect to this Agreement.

**Section 22. Counterparts; Pronouns**

This Agreement may be executed in one or more counterparts, all of which will be considered one and the same Agreement and will be effective when one or more counterparts have been signed and delivered by Owner and Optionee. With respect to any pronouns used, each gender used includes the other gender and the singular and the plural, as the context may require.

**Section 23. Governing Law; Interpretation**

This Agreement is governed by the laws of Oregon. If a court of competent jurisdiction holds any portion of this Agreement to be void or unenforceable as written, Owner and Optionee intend that (1) that portion of this Agreement be enforced to the extent permitted by law and (2) the balance of this Agreement remain in full force and effect. Venue for any action shall be solely and exclusively in the circuit court in and for Linn County Oregon.

**Section 24. Time Is of the Essence**

Time is of the essence of this Agreement.

**Section 25. Authority to Execute**

Each person executing this Agreement on behalf of Owner and Optionee, respectively, warrants his or her authority to do so.

**Section 26. Statutory Disclaimer**

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, ORS 195.301, AND ORS 195.305 TO 195.336 AND OREGON LAWS 2007, CHAPTER 424, SECTIONS 5 TO 11, OREGON LAWS 2009, CHAPTER 855, SECTIONS 2 TO 9 AND 17, AND OREGON LAWS 2010, CHAPTER 8, SECTIONS 2 TO 7. 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 ORS 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, ORS 195.301 AND ORS 195.305 TO 195.336 AND OREGON LAWS 2007, CHAPTER 424, SECTIONS 5 TO 11, OREGON LAWS 2009, CHAPTER 855, SECTIONS 2 TO 9 AND 17, AND OREGON LAWS 2010, CHAPTER 8, SECTIONS 2 TO 7.

**Section 27. Consents**

The parties agree to act in good faith and with fair dealing with one another in the execution, performance, and implementation of the terms and provisions of this Agreement. Whenever the consent, approval, or other action of a party is required under any provision of this Agreement, the consent, approval, or other action will not be unreasonably withheld, delayed, or conditioned by a party unless the provision in question expressly authorizes the party to withhold or deny consent or approval or decline to take action in accordance with a different standard, in which case the consent or approval or the decision to not take action may be withheld, delayed, or conditioned in accordance with the different standard. (Any provision indicating that consent is not to be unreasonably withheld is to be interpreted to mean that consent will not be unreasonably withheld, delayed, or conditioned.)

[Remainder of page intentionally left blank.]

Executed on the day and year first above written.

OWNER:

**ALBANY REVITALIZATION AGENCY**

Peter Troedsson, City Manager

OPTIONEE:

**SABLE DRIVE, ~~LLC~~**

[redacted]

Scott Lepman, Managing Member

Attachments:
Exhibit A—Property
Exhibit B—Form of Memorandum
Exhibit C—Preliminary Revised Plans

## EXHIBIT A

## Property

**LINN COUNTY PARCEL - 11S-03W-06CC, TAX LOT 06900, more particularly described as:**

**Lots 1 thru 4, Block 9, of the Plan of Albany, recorded in Linn County, Oregon.**

**EXHIBIT B**

**Form of Memorandum**

After recording return to:

_____

_____

**MEMORANDUM OF OPTION AGREEMENT**
**AND AGREEMENT OF PURCHASE AND SALE**

City of Albany, a public corp. ("**Owner**"), and Sable Drive, LLC a _____ ("**Optionee**"), have entered into an Option Agreement and Agreement of Purchase and Sale dated 30 May, 2025 (the "**Option Agreement**"), wherein Owner has granted to Optionee the sole and exclusive option to purchase the property described in Exhibit A. The term of the option will expire on 30 Nov, 2026

This Memorandum is being executed and recorded in the Official Records of Linn County, Oregon, to give notice of the provisions of the Option Agreement and will not be deemed or construed to define, limit, or modify the Option Agreement in any manner.

Executed as of 30 May, 2025

**OWNER:**

_____, a _____

By: City of Albany, OR
Name: Peter Troedsson
Title: City Manager

**OPTIONEE:**

[redacted]

_____, a _____

By: Sable Drive, LLC
Name: Scott Lepman
Title: Managing Member

STATE OF OREGON )
) ss.
County of Linn )

This instrument was acknowledged before me on May 30, 2025, by Peter Troedsson as City Manager of City of Albany a _____, on behalf of said _____.

[redacted]

/s/ Makenna Andrea Cadby
Notary Public for Oregon
My commission expires: March 14, 2026

STATE OF OREGON )
) ss.
County of Linn )

This instrument was acknowledged before me on May 29, 2025, by Scott Lepman as Managing Mem of Sable Drive, a LLC, on behalf of said LLC.

[redacted]

/s/ Alexandra Hesseling
Notary Public for Oregon
My commission expires: April 18, 2026