

## CONDITIONAL CONVEYANCE AGREEMENT

This Conditional Conveyance Agreement, dated \_\_\_\_\_, is between the Three Rivers School District, a political subdivision of the State of Oregon (hereinafter "TRSD") and the North Valley General Services District, a political subdivision of the State of Oregon (hereinafter "NVGSD").

### I. RECITALS.

A. TRSD owns a sewer treatment facility on the grounds of Fleming Middle School in the area that is further described on the Map attached hereto as Exhibit 1 (hereinafter "Sewer Treatment Facility"). The Sewer Treatment Facility currently is operated by TRSD but, pursuant to various agreements with Josephine County, provides sewer services to the North Valley Industrial Park and the Josephine County Airport in addition to TRSD schools and grounds.

B. TRSD is an Oregon school district and is tasked with educating students and not operating public sewer treatment facilities. TRSD desires to transfer the Sewer Treatment Facility to a public entity that is better situated to operate the facility for the public benefit and to assume any liability associated therewith. NVGSD has been identified by Josephine County as the most appropriate special district to own and operate the Sewer Treatment Facility for the benefit of the North Valley area of Josephine County, including for the public benefit of the TRSD schools, the North Valley Industrial Park and Josephine County Airport.

C. Because the Sewer Treatment Facility is located on TRSD property, prior to any conveyance, it will be necessary for the portion of the TRSD property on which the Sewer Treatment Facility is located to be established as a separate parcel, so it can be conveyed to NVGSD. In addition, the parties acknowledge that, in the future, it may be mutually beneficial to both NVGSD and TRSD for the Sewer Treatment Facility to be expanded, and that additional TRSD grounds could be irrigated with treated water from the facility. The parties agree to review such expansion so that TRSD may grant easements or other rights to NVGSD as part of any approved expansion or improvement to the facility, and that TRSD shall have the first right to any irrigation or other benefits which may be available to its properties as a result of any expansion or improvement of the facility..

D. TRSD has invested a substantial amount of money and other resources into the Sewer Treatment Facility, and relies on the Sewer Treatment Facility to service Fleming Middle School and other District properties. Accordingly, as part of the Final Agreement herein, the parties agree that if NVGSD fails to provide sewer services to TRSD in accordance with this Agreement, the Deed conveying the Sewer Treatment Facility property to NVGSD shall contain a right of reverter in favor of TRSD, which shall be perpetual as set forth under ORS 105.774(1). The right of reverter shall provide that, if NVGSD fails to provide septic services to TRSD in accordance with the Final Agreement, then, by notice from TRSD to NVGSD, ownership of the Sewer Treatment Facility shall revert to TRSD, free and clear of any claim by NVGSD.

## II. CONDITIONS TO FINAL AGREEMENT; OBLIGATIONS OF THE PARTIES

1. Defining Boundaries Necessary for Sewer Treatment Facility. The parties agree to cooperate to identify the precise boundaries of the Sewer Treatment Facility and to pursue all appropriate land use applications required by Josephine County, the Department of Environmental Quality, or other local or state agencies as necessary to specifically identify the area subject to the Sewer Treatment Facility and to coordinate a legal description and survey for the areas subject to the conveyance from TRSD to NVGSD. The Final Agreement shall be contingent on obtaining the approvals and establishing the parcel for the Sewer Treatment Facility from all applicable authorities.

2. Due Diligence by NVGSD/Josephine County. The parties agree that NVGSD and any agents that it may designate, upon reasonable notice to TRSD, shall have full and continuing access to the Property and all parts thereof to evaluate whether to enter into a Final Agreement. NVGSD shall have the right to enter for the purpose of inspecting, surveying, engineering, test boring, performance of environmental tests and such other inspections as it shall consider appropriate and shall have the further right to make such inquiries of governmental agencies and utility companies, etc., and to make such feasibility studies and analysis as it considers appropriate (collectively the "Inspections"). Any Inspections shall be: (i) at NVGSD's sole cost and expense, to restore and/or repair the Land to the condition the Land was in prior to Purchaser's Inspection; and (ii) to indemnify and hold TRSD harmless against any and all liability, damages, claims, suits, causes of action or any proceeding (each, a "Claim" and collectively, "Claims"), arising out of the Inspections of the Property; *provided, however*, that the foregoing covenant to restore the Land and indemnify TRSD shall not apply: (i) to the extent any Claims are caused by the negligence or willful misconduct of TRSD; nor (ii) to the mere discovery of any pre-existing environmental condition affecting the Land (a "Pre-Existing Condition"), except to the extent, and only to the extent, such Pre-Existing Condition is exacerbated by any act or omission of NVGSD. TRSD also agrees to make all inspections, reviews, analysis or reports related to the Sewer Treatment Facility available for inspection by NVGSD or its agents. Unless set forth in the Final Agreement, NVGSD shall have no obligation to remediate, remove, contain, abate, or control any Pre-Existing Condition discovered by it, except to the extent, and only to the extent, necessary to restore the Pre-Existing Condition substantially to the condition in which it existed prior to its discovery. NVGSD shall have until December 31, 2025 to determine, in its sole and absolute discretion, that its due diligence review of the Property is satisfactory, including, without limitation, (i) the physical condition of the Property is acceptable; and (ii) the Property is a legal lot that can be conveyed. The parties will agree, upon execution of the Final Agreement, that any conveyance from TRSD to NVGSD shall be "as is" and "with all faults."

3. Agreement as to Form of Final Agreement. This transaction shall be subject to the conditions set forth above, and to negotiation and approval of a Final Agreement between TRSD and NVGSD. The Parties agree that the following terms shall be part of the Final Agreement:

a. Title shall be conveyed by Warranty Deed from TRSD to NVGSD. The Warranty Deed shall contain a right of reverter that provides that if NVGSD fails to provide sewer services to TRSD in accordance with the terms of the Final Agreement, that TRSD shall have the option, with notice to NVGSD, and at TRSD's sole option, to declare the reverter of the Sewer Treatment Facility and Property to TRSD, and for the Property be re-vested in TRSD by Parties. In such event TRSD must provide Notice to NVGSD, or its successors in interest, and to Josephine County Board of Commissioners, of its intent to declare the reverter and the basis for the reverter, supported by Affidavit of Reverter, and shall provide NVGSD with not less than thirty (30) days to challenge the same. If NVGSD or Josephine County fails to object, then TRSD may record the Notice and Affidavit of Reverter with the Josephine County Recorder. In the event of a dispute, the parties agree that the question of reverter shall be determined by the Circuit Court for Josephine County, Oregon.

b. The transaction shall be closed directly and no title insurance shall be obtained. TRSD shall warrant by Warranty Deed that TRSD is presently the owner of the Property free and clear of all encumbrances.

c. The parties will specifically agree the Final Agreement shall provide that, in exchange for the Warranty Deed, that as consideration for the conveyance of the real property by TRSD to NVGSD as set forth herein, NVGSD shall: a) provide TRSD and its facilities with sewer services in the same manner as have historically been provided to Fleming Middle School and all other adjacent District facilities; b) agree that TRSD shall not be required to pay any compensation to NVGSD or any other entity for sewer services at any time, and the future provision of sewer services to TRSD without cost is determined to be adequate consideration for the transfer and conveyance of the Sewer Treatment Facility property to NVGSD; and c) covenant, warrant and agree to maintain the Sewer Treatment Facility in as good or better condition as it was historically operated by TRSD.

d. The Final Agreement shall provide for the future upgrade or improvement of the Sewer Treatment Facility and that if the Sewer Treatment Facility is upgraded or improved, that certain adjoining grounds owned by TRSD, including sports fields and other grounds which will continue to be used by TRSD, could benefit from irrigation and other improvements related to the Sewer Treatment Facility. The Final Agreement shall provide that in the event of any such improvements, NVGSD shall, prior to using other properties or systems, contact TRSD with details related to the expansion and improvements and the Parties shall agree to negotiate in good faith the location and extent of easements for irrigation or other purposes that may be mutually beneficial.

e. The Final Agreement shall provide that, upon conveyance of the Sewer Treatment Facility property to NVGSD and NVGSD assuming possession of the Property, that NVGSD shall assume all obligations for the maintenance and operation of the Sewer Treatment Facility and shall, subject to any limitations under the Oregon Tort Claims Act, indemnify and hold TRSD harmless for any claims, complaints, fines, actions, citations or damages related to the Sewer Treatment Facility property, including, but not limited to, claims for negligence or strict liability for environmental contamination.

f. The Final Agreement, or a Memorandum thereof, shall be recorded with the Josephine County Clerk to provide general public notice of the obligations and limitations on the Property as set forth therein.

4. General Terms and Conditions.

a. This Agreement and any Final Agreement shall only be effective upon approval by the TRSD School Board and the Josephine County Commissioners, acting as the NVGSD Board.

b. No Third Party Beneficiary. TRSD and NVGSD are the only parties to this Agreement and, as such, are the only parties entitled to enforce its terms. Nothing contained in this Agreement gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise to, third parties unless the third parties are expressly described as intended beneficiaries of its terms.

c. Severability. If any of the provisions of this Agreement are held to be invalid or unenforceable, the remaining provisions shall remain valid and binding upon the Parties.

d. Interpretation. This Agreement is the result of a joint effort of TRSD and NVGSD and should be construed and interpreted as such.

e. Amendments. Any amendments to this Agreement shall be in writing and executed by both TRSD and NVGSD through their duly authorized representatives.

f. Integration. This Agreement constitutes the entire agreement between the Parties on the subject matter and supersedes all prior or contemporaneous written or oral understandings, representations or communications of every kind on the subject.

g. Choice of Law and Venue. This Agreement, and all rights, obligations and deutes arising from it shall be governed by Oregon law. All disputes and litigation shall be decided in the Circuit Court for Josephine County, Oregon.

h. Execution. This Agreement may be executed in multiple counterparts, each of which will be deemed to be an original, and such counterparts will constitute one and the same instrument. For the convenience of the Parties, the execution pages of any executed counterpart

may be detached and reattached to any other executed counterpart to form one or more documents that are fully executed. This Agreement will not be effective until all Parties have executed the original or a counterpart of it.

THREE RIVERS SCHOOL DISTRICT

NORTH VALLEY GENERAL SERVICES  
DISTRICT

Dated this \_\_\_\_ day of August, 2025:

Dated this \_\_\_\_ day of August, 2025:

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By: Dave Valenzuela  
Its: Superintendent

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By:  
Its: